

## SENATE—Thursday, February 20, 1992

(Legislative day of Thursday, January 30, 1992)

The Senate met at 11 a.m., on the expiration of the recess, and was called to order by the Honorable DANIEL K. AKAKA, a Senator from the State of Hawaii.

The PRESIDING OFFICER. Today's prayer will be offered by guest chaplain, Rabbi Martin Jay Applebaum, of Fort Lewis, State of Washington.

## PRAYER

Rabbi Martin Jay Applebaum offered the following prayer:

In challenging times we prayerfully turn to our Creator for divine guidance.

It is in these imposing environs of momentous deliberation wherein the conscience of mankind abides that we must seek heavenly inspiration as we humbly bow our heads in search of truth and justice, wisdom, insight, loving kindness, and mercy.

We are painfully aware, O Heavenly Father, of the treacherous paths upon which evil rides with wild abandon, where fanaticism is camouflaged, as righteous zealotry.

Teach us, O God, to discern righteousness and give us the wherewithal to combat evil with fortitude and determination so that Your divine teaching shall abide with us in order to establish Thy kingdom on Earth.

Having recently celebrated the 200th anniversary of the Bill of Rights, our beloved country's declaration of principle, we pray our resolve be strengthened so that the immortal words of the prophet will certainly hold true: "And it shall come to pass in the end of days, that the mountain of the Lord's house shall be established at the top of the mountains and shall be exalted above the hills; and all nations shall flow unto it.

"And many people shall come and say let us go to the mountain of the Lord, to the house of the God of Jacob and He will teach us of His ways, and we will walk in His paths.

"And He shall judge between the nations, and they shall beat their swords into plowshares and their spears into pruning hooks."

Nation shall not lift up sword against nation, neither shall they learn war anymore.

In Your holy name we pray. Amen.

## APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore [Mr. BYRD].

The legislative clerk read the following letter:

U.S. SENATE,  
PRESIDENT PRO TEMPORE,  
Washington, DC, February 20, 1992.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable DANIEL K. AKAKA, a Senator from the State of Hawaii, to perform the duties of the Chair.

ROBERT C. BYRD,  
President pro tempore.

Mr. AKAKA thereupon assumed the chair as Acting President pro tempore.

## RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. Under the standing order, the majority leader is recognized.

## SCHEDULE

Mr. MITCHELL. Mr. President, this morning, following the time for the two leaders, there will be a period for morning business not to extend beyond 12:30 p.m., with Senators permitted to speak therein for up to 5 minutes each. Also, during the period for morning business, a number of Senators are to be recognized to speak for up to 10 minutes each.

When morning business closes, the Senate will recess until 2:30 p.m. today. When the Senate reconvenes at that time, it will proceed to the consideration of S. 1150, the higher education reauthorization bill.

## RESERVATION OF LEADER TIME

Mr. MITCHELL. Mr. President, I reserve the remainder of my leader time, and I reserve all of the leader time of the distinguished Republican leader.

The ACTING PRESIDENT pro tempore. Without objection, the leader time is reserved.

## MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of morning business, not to extend beyond the hour of 12:30 p.m., with Senators permitted to speak therein for not to exceed 5 minutes each.

The Senator from South Dakota [Mr. PRESSLER] is recognized to speak for up to 10 minutes.

## THE WEHRKUNDE CONFERENCE

Mr. PRESSLER. Mr. President, it was my pleasure recently to attend the

Wehrkunde Conference in Munich, Germany, better known as the Mutual Conference on Security Policy. It was the 29th annual conference.

In my speech to the conference, I predicted that U.S. troop levels in Europe would likely fall below 100,000 troops, perhaps to 60,000. It is my feeling that it will remain in the best interest of this country to have forward deployed troops in Europe, the Middle East, or some other parts of the world.

The NATO General Secretary suggested that our troops should stay there to keep tensions between European nations down. Certainly, our taxpayers cannot be asked to do something that the Europeans can and should do for themselves. I am not so sure that the United States can lessen any tensions that might exist between European nations.

Mr. President, we were honored to have Vice President QUAYLE in attendance at this conference. He gave an excellent speech, in my view. I believe some press accounts misinterpreted his remarks by indicating that he tied the success of the GATT talks to troop levels in Europe or U.S. support for NATO in general. I did not understand the Vice President to say this, and I believe he later clarified his position in London.

However, my own feelings with regard to GATT are that if GATT fails because of Europe's unwillingness to lower its agricultural subsidies, and airbus subsidies, variable levies, rebalancing and market access, it would create extremely hard feelings in this country.

As a member of both the Senate Commerce and Small Business Committees, as well as the Foreign Relations Committee, I have come to understand well the numerous non-tariff barriers which exist in Europe.

Yesterday, I had a conversation with Carla Hills about some of those non-tariff barriers that keep our products and companies out. One example of such barriers involves the telecommunications industry. There is a great deal of analysis which demonstrates it is far more difficult for U.S. companies to break into European markets than it is for European companies to do business in this country. For these reasons, I felt it important to impress upon conference participants that trade could become the basis of strained relations between the United States and Europe in the not too distant future.

Before returning to Washington, I stopped in England, and there, among

• This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

other officials, I met with our fine United States Ambassador Raymond Seitz. I was honored to attend a dinner hosted by the Ambassador, during which I had the opportunity to discuss a wide range of issues with leaders of government, journalism, and the religious and cultural community.

I also had the opportunity to meet with Colonel Dewar of the International Institute for Strategic Studies and discuss the issue of nuclear non-proliferation, which I feel must be brought to a halt.

As the author of the amendment which has cut off United States aid to Pakistan, I was pleased to read in yesterday's New York Times that Pakistan has decided it wants to be closer to the United States, and I hope it will dismantle its nuclear weapons industry.

In an effort to expand my understanding of the problems in our telecommunications industry abroad—I also met with Bob Woolard of U.S. Sprint—that company is in the process of trying to penetrate the British market. We shall watch closely how that application is treated and we are mindful that we treat British companies very well when they come into the United States market.

In conclusion, Mr. President, let me repeat that my experience at the Wehrkunde Conference further confirmed what I have believed for several years—most Europeans want American troops to return home and an ever-increasing number in this country agree. A new chapter is being written in the history of U.S. troop involvement in Europe. I have supported such a move since 1984, when I offered an amendment on the Senate floor which would have reduced the number of U.S. military personnel stationed in Europe. In 1984, that concept did not receive the support of Congress. Today, the spirit of that amendment is being put into place.

It is no longer a question of whether we should reduce our troop presence in Europe. Today the question has become: By how much? The President has indicated that he would like to see 150,000 troops remain. Some believe that number should be 100,000. I think the number could be reduced even further. As I said at the beginning of my remarks, forward deployed forces in Europe will remain an important element in providing for the security of this Nation and its allies. However, as we increase our capability to rapidly deploy our troops, that security can be ensured without an extensive infrastructure of U.S. military bases around the world.

(The remarks of Mr. PRESSLER pertaining to the introduction of Senate Joint Resolution 256 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

(The remarks of Mr. PRESSLER pertaining to the submission of Senate

Concurrent Resolution 91 are located in today's RECORD under "Submission of Concurrent and Senate Resolutions.")

#### COMMENDING UNITED STATES POLICY TOWARD HAITI

Mr. PRESSLER. Mr. President, last December, as a result of my visit to the Dominican Republic, I determined that the international embargo against Haiti was not accomplishing its key purpose—to restore democratically elected government and replace the government backed by the military. I remain convinced that the embargo was doing little more than creating more impoverished Haitians and sending thousands of refugees to the Dominican Republic and the United States.

The Organization of American States [OAS] had a very difficult task, and I believe its focus is still the correct one. But the embargo's failure to accomplish its goals required a reassessment. Recently, the Bush administration undertook a careful review of its policy toward Haiti. I applaud President Bush's actions in this regard. This agonizing effort was undertaken in a real world. Mr. President, neither the United States nor any international force is prepared to invade Haiti. It is also impossible for the United States and other countries to open their doors to endless numbers of miserable people fleeing Haiti because of the bite of international sanctions.

As part of the President's policy review, serious consideration also had to be given to the kind of administration which might be established by Haiti's elected President, Jean Bertrand Aristide, were he to be restored to power. Consistent with American policy toward the former Soviet Union, I believe it is essential to review the kind of system that even a democratically elected government would impose on Haiti and whether any government President Aristide headed could or would promote domestic peace and prosperity while nurturing democratic institutions. President Aristide's assurances and rhetoric have not been sufficiently comforting to permit a number of OAS countries to feel comfortable on this important point.

Mr. President, the result of the administration's review has been a compromise policy which will keep appropriate, effective, realistic pressures on the military-backed Government. It will also permit levels of Haitian employment necessary to ensure that many of those who fled Haiti during the embargo can return to jobs without fear. At the same time, extensive interviews are being conducted so that individuals will not be returned to Haiti who are likely to be targets of Government retribution.

There is no easy answer for Haiti. Like other countries in the Western

Hemisphere, democratically elected governments are threatened by military cliques which are accustomed to being in power. Nicaragua, Suriname, and Panama are just three examples. I doubt whether there is any single policy this Government or the OAS could pull off the rack to fit all possible situations if military units decide to assert control over civilian governments.

One possible option, Mr. President, is for the United States to seek a drastic cut in conventional arms and military spending throughout the hemisphere—along the lines President Bush already has proposed here at home. Certainly, no external threat justifies large or powerful armed forces in Haiti and other Latin American countries.

#### PAKISTAN'S NUCLEAR CAPABILITY

Mr. PRESSLER. Mr. President, on February 6, 1992, the Foreign Secretary of Pakistan, Shahryar Khan, while on a visit to Washington, admitted that his country has the components and technology necessary to assemble "at least one" nuclear weapon. I found the Foreign Secretary's admission very interesting for two reasons.

First, it marked the first time the Pakistani Government has publicly admitted that it possesses a nuclear device. Second, it came less than a month after I met with Foreign Secretary Khan and other government officials in Islamabad.

Mr. President, the admission demonstrates that United States policy toward Pakistan is beginning to produce results. In the early 1980's there was an increasing belief on the part of many in this Nation, myself included, that Pakistan was developing a nuclear weapon. As a result, in 1985, Congress adopted an amendment, which I sponsored, tying the continuation of foreign aid to Pakistan to the President's ability to certify that the country did not possess a nuclear device.

In 1990, the President was unable to continue making that certification and, under the provisions of the Pressler amendment, as it has come to be known, foreign assistance to Pakistan was cut off. Throughout it all, government officials in Pakistan continued to deny that their country had developed a nuclear weapon. That is no longer the case.

I applaud Pakistan's decision in this matter. This admission was necessary if any progress is to be made with regard to nuclear nonproliferation in that part of the world. As I have said previously, I also applaud Pakistan's support for the proposed five-power talks involving the United States, Russia, China, India, and Pakistan designed to open a dialogue on ways to reduce the nuclear threat in that part of the world. Indeed, I would take this opportunity to once again call upon India to offer its support for such a process.



Having said all this, Mr. President, let me also say that more must be done to stem the tide of nuclear proliferation in South Asia. Until that goal is achieved, the United States should not abandon its policy toward Pakistan. That policy is working. Progress is being made.

I will continue, at every reasonable opportunity, to encourage all developing nations to follow the lead of the world powers and begin to reduce stockpiles of both nuclear and conventional weapons. Recent events in the former Soviet Union and elsewhere have created a unique opportunity to make meaningful progress toward establishing a safer world. However, these efforts will prove futile unless all countries are brought into the process.

Mr. President, I ask unanimous consent that articles from the New York Times of February 19, 1992, and the Washington Post of February 7, 1992, concerning this issue, be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the New York Times, Feb. 19, 1992]

THE CHASTENED PAKISTANIS: PEACE WITH UNITED STATES IS AIM

(By Edward A. Gargan)

ISLAMABAD, PAKISTAN, February 17.—Faced with an embargo on virtually all American aid and a cutoff of major military sales because of its nuclear weapons program, Pakistan has embarked on the precarious process of recovering its friendship with the United States.

In the last few weeks, Prime Minister Nawaz Sharif has moved with some decisiveness to persuade Washington that it should not abandon Pakistan, now that its role as a gateway to China and, more important, as a front-line adversary of the Soviet Union is no longer needed.

In rapid succession, Pakistan publicly admitted the extent of its nuclear weapons program, withdrew its military support for Afghan rebels while endorsing a United Nations peace plan and violently halted a march by Kashmiri secessionists toward the Indian-controlled part of Kashmir.

These steps, Western diplomats here say, reflect an emerging pragmatism in foreign affairs intended both to blunt India's efforts to dominate South Asia and to lay claim to being the rightful partner of the newly independent Central Asian republics of the former Soviet Union. None of this will be possible, Pakistani officials say, if relations with Washington deteriorate further.

#### 'CHASTENED AND CHASTISED'

"Some sense has been shaken in with no aid coming in," said a senior military officer, who insisted on anonymity. "There is the feeling that we have to get our act together as a nation. I think we have been generally chastened and chastised."

Yet Mr. Sharif is finding that domestic political dangers and newly emerging regional interests are conditioning both the pace and nature of his overtures to Washington.

The reversal of the Government's Afghanistan policy and the suppression of the Kashmir march, in particular, have drawn the wrath of the fundamentalist Jamat-e-Islami party. The party's leader, Qazi Hussain, in-

sists that the only legitimate government possible in Afghanistan is one led by the fundamentalist rebels, who deserve to rule because, in his view, they drove out the Soviet Army.

But many of the Central Asian republics, wary of the encroachment of fundamentalism in their domains, are encouraging a moderate government in Kabul and have told Pakistan that they will not tolerate a rebel triumph. Among the more moderate members of the National Assembly here, Pakistan's larger regional interests are now seen as vastly outweighing any emotional commitment to the spread of militant Islam in Afghanistan.

"Unless we have a good relationship with Afghanistan, we have no chance of establishing social, cultural, economic and geographical links with the newly independent Muslim Central Asian countries," Kunwar Khalid Yunus, a National Assembly member, wrote recently. "If we lose this chance again, as we did in the late 70's, and last year just because of zealots' pressure, God may not give us another opportunity."

#### MARCH IS BRUTALLY HALTED

Mr. Sharif also decided that he could afford no more confrontations with India over the disputed territory of Kashmir. In the face of criticism from the religious right and the emotions of Kashmiris in Pakistan, he had a potentially incendiary march by the Jammu and Kashmir Liberation Front, the separatist group with the widest support in the Indian-controlled Vale of Kashmir, brutally halted.

But it was in Washington that Pakistan took its most risky step when the Foreign Secretary, Shahryar M. Khan, disclosed that Islamabad had the ability to make nuclear weapons. That acknowledgment, while confirming what the Administration had known all along, accomplished two things, in the view of Western diplomats.

First, it told the Bush Administration, which has invoked a law, the so-called Pressler amendment, to ban aid to Pakistan because of its nuclear program, that the country wanted to put its cards on the table and begin the process of removing sanctions. Second, it renewed pressure on India to respond to Pakistan's call for talks on nuclear proliferation in South Asia.

Pakistan has suggested that the United States, Russia, China, India and itself discuss ways to reduce the threat of a nuclear exchange and hopefully lead to the banning of nuclear weapons in the region.

"The Pakistanis want to get out of Pressler," said a Western diplomat here. "They are serious about the five-power talks. In itself they are not a way out of Pressler, but they provide a way forward."

At the same time, the United States is clearly eager not to alienate the Pakistanis. Despite the ban on military sales, the Bush Administration has not only permitted, but, Western diplomats here say, assisted Pakistan in buying spare parts for its fleet of F-16 jets, purchases that State Department lawyers have determined to be permissible under the law. And last month Pakistan's Chief of Staff, Gen. Asif Nawaz, visited Washington, where he was treated much like a visiting head of state.

#### FOLLOWING THE MIDDLE PATH

Prime Minister Sharif, with the cooperation of President Ghulam Ishaq Khan, a major force in the power structure, has moved to eliminate opposition to the new policies in the army, which had become more sympathetic to fundamentalism in recent years.

Most visible was his decision to retire a hard-core fundamentalist general, Hammed Gul, and to install as army chief General Nawaz, who has repeatedly stressed the need for the army to stay out of politics.

"As far as fundamentalism is concerned," the senior military officer said, "we want to be practicing Muslims. We want to be moderates. This is what our religion teaches, moderation, tolerance, the middle path."

At the same time, Pakistani officials regard with some amusement Washington's seeming frenzied concern about the spread of fundamentalism in Central Asia, fears they hope to exploit by presenting themselves as sober pragmatists who just happen to be Muslims. Because they see Central Asia as their natural ally, the Pakistanis are encouraging Washington to regard Islamabad as a partner in cementing links with the Central Asian republics, and in the process limiting the influence of Iran.

Whether this strategy will be effective is difficult to say at this point, but Western diplomats here are not immune to its appeal. A senior diplomat said, "There is a competition to see what is going on there."

[From the Washington Post, Feb. 7, 1992]

PAKISTAN OFFICIAL AFFIRMS CAPACITY FOR NUCLEAR DEVICE: FOREIGN MINISTER VOWS TO CONTAIN TECHNOLOGY

(By Jeffrey Smith)

Pakistani Foreign Secretary Shahryar Khan said yesterday his nation now has the components and know-how to assemble at least one nuclear explosive "device," marking the first time a Pakistani official has confirmed publicly the extent of the country's nuclear program.

Khan's admission came after meetings with administration and congressional officials in which he reiterated Pakistan's pledge not to explode such a device or transfer nuclear technology to other Islamic states or Third World countries that have sought to obtain it.

"The capability is there," Kahn told reporters and editors during a 45-minute interview at The Washington Post about Pakistan's nuclear capability, adding that his country possesses "elements which, if put together, would become a device." He confirmed that these elements include potential weapons "cores" fashioned from highly enriched uranium, a fissile material commonly used to sustain a nuclear explosion.

Khan said he was speaking candidly to "avoid credibility gaps" that he suggested were created by senior officials of previous Pakistani governments. Those officials repeatedly denied that Pakistan had made any effort to produce the components of a nuclear device, but the United States has not believed them and cut off roughly \$573 million in aid over the issue in 1990. The cutoff was mandated by congressional legislation—known as the Pressler amendment after a major sponsor, Sen. Larry Pressler (R-S.D.)—aimed at curbing the Pakistani bomb program.

Khan said the current leadership in Islamabad, which came to power in October 1990, had "inherited the problem" of what to say or do about nuclear weapons and decided to set the record straight so that his government could come to a clear understanding with Washington about the barriers to a resumption of U.S. financial aid.

Khan said he had not been told how many nuclear devices could be assembled in his country from existing components. But he said his government last year permanently froze production of highly enriched uranium

and weapons "cores." Washington had demanded these measures as conditions for resuming aid, and Khan said the Bush administration, initially skeptical, has accepted Pakistani assurances on this score.

But Khan also stressed his government would only comply with a third U.S. condition for the resumption of aid—requiring destruction of the weapons cores in order to "reverse" the Pakistani capability—if a similar step is undertaken by neighboring India.

Pakistan has been reluctant to curtail its nuclear program because Pakistanis see it as a counterbalance to India's demonstrated nuclear ability. Khan said he had explained to U.S. officials that India also would have to limit its nuclear effort to avoid a "public perception problem" among Pakistanis that they had been unfairly singled out.

"I have a feeling that the U.S. government understands our [domestic] constraints" against unilateral action, Khan said and called for sustained U.S. pressure to force a change of heart by India.

Khan said this could be worked out as part of a regional arms control accord that the United States is urging at Islamabad's behest. Otherwise, the minister said, "I foresee no reversal" by Pakistan.

Khan said China, the region's other major nuclear power, had accepted a State Department proposal to begin negotiating a regional accord early this year. Russia has also agreed to help organize the talks, Khan said. But the minister added that "we've had a bit of a red light" because of India's "prevarication" on the issue.

In a description of events paralleling an account given by a knowledgeable U.S. official, Khan said India had initially opposed the idea of a regional nuclear nonproliferation accord but recently expressed its willingness to examine the possibility of such an arrangement.

India has not agreed to a starting date for negotiations, however, and Khan said U.S. officials had informed him that India still has substantial reservations about the idea, including what China's role in the talks would be and whether pursuit of a regional accord could detract from global anti-nuclear efforts.

"Both these reasons, from our point of view, are hollow," Khan said. He cited a recent Brazilian-Argentinian understanding to halt work on nuclear weapons as a potential model for Southeast Asia.

Khan said the proposed regional accord could provide for mutual inspections of nuclear-related facilities and include other measures to reduce anxieties among Pakistan, India and China.

An alternative to a regional accord, Khan said, would be modification of the Pressler amendment to cover "everyone" and thereby effectively bar U.S. aid to nations with nuclear arms. But the minister was advised by U.S. officials that this was unlikely to happen soon.

CIA Director Robert M. Gates, in the most detailed public U.S. description of the Pakistani nuclear program, told the Senate Governmental Affairs Committee on Jan. 15 that "we have no reason to believe that either India or Pakistan maintains assembled or deployed nuclear bombs. But such weapons could be assembled quickly, and both countries have combat aircraft that could be modified to deliver them in a crisis."

Mr. PRESSLER. Mr. President, I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Montana is recognized for 5 minutes.

Mr. BURNS. Thank you, Mr. President.

(The remarks of Mr. BURNS pertaining to the introduction of S. 2238 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

#### NATIONAL ENERGY STRATEGY

Mr. BURNS. Mr. President, last night we passed an energy bill, and I have a statement with regard to that energy bill.

Mr. President, I rise in strong support of S. 2166, the national energy strategy. S. 2166 has its supporters and its detractors. It does because it is a national energy strategy. Many segments of society are affected by the many provisions in this bill.

We fought a war in the Middle East to stop aggression and, in part, to keep the oil flowing. We are importing nearly 50 percent of the oil we use. That is a dangerous dependence.

S. 2166 has important provisions on energy conservation; on the use of alternative fuels; on the use of electricity and hydropower. We need strong alternative fuels provisions. They can be produced domestically.

There are provisions on mass transit and the use of natural gas. Provisions on building efficiency standards energy labeling for windows and lamps and showerheads.

I do want to take a moment to discuss the alternative fuel provisions of the bill. In committee, I offered language to include alternative fuels in the bill. I did it because I feel strongly that we need to wean ourselves off foreign oil.

My amendment requires the Secretary of Energy to assess the economic situation regarding the supply and demand of oil and gasoline. If the supply of oil is disrupted or in short supply then the Secretary could turn to alternative fuels as a way of keeping the economy in balance.

I want alternative fuels to succeed. But I don't want the oil industry to destroy a small industry because it is being forced upon them. The amendment moves in the right direction and it works.

This is a comprehensive bill that addresses a wide variety of energy issues. This bill does not contain an ANWR provision or a cafe provision. Those provisions are important but they are not the sum and substance of this legislation.

Everyone faces tradeoffs in life. There are consequences to any decision. If the American people want an energy policy, and I believe that they do, then we must take the responsible course and address all forms of energy savings and domestic energy generation available to us. We cannot say that some answers are just out of bounds. The decisions that we make here affect all of us.

Jobs are on the line. We can deepen the recession we are struggling to get out of or we can help move this country forward. Increasingly we are handing over to foreign interests the keys to our own future. It is the responsible course to move toward increased energy independence and this bill takes the responsible course and moves us in that direction.

We need to get on with it.

We were pleased in this body that only 11 votes were taken in order to pass the energy bill.

Most of the problems of developing an energy policy for this country were worked out in committee where they should be and so, therefore, we passed the bill. It is a good bill—maybe not everything you would like to see in it, but nonetheless it covers energy, conservation, alternative fuels. I think it sets us in a direction that we have to go and when we take a look at a finite resource such as air, fossil fuels, our environment, and what that does.

#### THE ECONOMY

Mr. BURNS. Mr. President, there has been a lot of pontificating on the floor and in the newspapers and the speeches given since last Tuesday. It seems like everyone has their own message on what was said at the ballot box last Tuesday.

Through all the babble, I heard the message, and it is one that we have been talking about in the body for the last 3 years since I came in January 1989.

The American people want action. It is day 29 of our countdown to action and the air is still thick with partisan rhetoric, and while I am hesitant to rise on this floor to participate in it I feel it necessary that maybe we should inject a little bit of reality into this debate. I do not often rise on this floor to talk about any subject. But I feel very strongly about these facts.

The President has an economic plan. That is No. 1. He has pared it down to where, No. 1, it is passable, and No. 2, it will work. It is a passable seven-point initiative. No. 3 is a very stark fact that we all should take a look at, all my colleagues, and that is it is now our responsibility to act.

The plan is not so radical that it will not work. It focuses on what it is going to take to get business back in the business of expanding. One of the best proposals in the President's plan, of course, is the environment tax allowance, the ITA. It gives farmers and ranchers and small businessmen and large business alike an incentive to invest in new equipment, allows them to depreciate in the investment tax realm an additional 15 percent the first year.

The only change I would make in that proposal is that I would make it permanent because there is a lot of plans around here that makes some in-



come tax increases permanent but some of the cuts temporary, and I do not like the balance.

All recessions are a little bit different. This is different than the one we had in the early eighties. It is going to be small business that will pull us out of this current stagnation that we are in.

So we have to have some long-term policy that allows companies to express incentive in expansion. The U.S. gross domestic investment as a percent of GNP is the lowest of the six major industrialized countries and we wonder why we are falling down. Our infrastructure is falling down, our inability to manufacture. We give no incentive to invest. There is none. In fact, we are the only country that really taxes incentive.

I have had a chance to visit with CEO's and presidents of companies both big and small and I said, "Why aren't you expanding? Your business is good. Your profit margins look good this year. Why aren't you expanding?" He says, "I do not know what is going to be the policy or what Congress is going to do next year. We just jump around like a flea on a griddle."

We have to plan for sudden changes in policy.

Another key component is let us cut the capital gains rate. That helps all Americans—small business, farmers, and home owners. Montana's fifth largest industry is agriculture, tourism, mining and lumber, oil and gas. All these industries contribute nearly \$5 billion to my State's gross State product and they would all benefit from a cut in capital gains.

The USDA estimates that the President's proposal will save the producer in the 28-percent tax bracket who sells \$5,000 of cull livestock to save \$630 on his tax bill in capital gains. We are not a rich State. Our average income in Montana is only \$24,000 per capita. That is \$6,000 less than the national average. And we are made up of a State of small businesses. So we are not wealthy. But it would help everybody in my State of Montana.

In fact, the frontrunner on the Democratic side in New Hampshire said this one time, he once said that bill which lowered capital gains tax rates in 1978 did more for the economy of my State than anything I did as a Congressman.

So we all better start listening.

I think that most people out there also know that we do not need to pay for these good ideas with bad ones. In other words, we do not need to raise taxes to cut taxes.

Raising taxes costs jobs—a lesson we have learned from the 1990 budget deal. It makes no sense for the Congress to merely redistribute resources. We need to create new wealth and new jobs.

I firmly believe that any tax cuts or investment proposals should be paid for with spending cuts.

The Federal Government is already too big and its imposing presence is contributing to our economic woes.

Federal spending needs to be reigned in—and I have proposed a way to do that with my 4-percent solution. I encourage my colleagues to look at this option.

The President's 90-day moratorium on regulations and review of pending regulations also puts us on the right track.

The Federal Government is regulating this country into economic hardship.

Some may think I am exaggerating, but I assure you that I am not.

Over a 1-year period from April 1991 to March 1992 the Federal Government will take 514 significant regulatory actions.

Significant regulatory actions means "regulations that are likely to have an annual effect on the economy of \$100 million or more. \* \* \*

Granted, some of these regulations serve a good purpose. In a free market economy, Government regulation is needed for important matters such as ensuring public health and safety, and protecting the environment. But I personally doubt that we need 500 new regulations a year to do the job.

Many of these regulations are unnecessary and they are costing us jobs. The President is addressing the problem and I commend him for doing so.

The Congress must also refrain from creating more obstacles to growth and prosperity in this country, obstacles like excessive regulation, high taxes, and wasteful Government spending.

I call on my colleagues on both sides of the aisle to pass the President's economic growth package without any of these obstacles.

Let us enact the policies that promote growth without imposing new taxes on growth. Let us do it by restraining Federal spending and restraining Federal regulation. And let us do it by March 20.

Thank you, Mr. President.

I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from South Dakota is recognized.

#### THE UNITED NATIONS FACES CHALLENGES AND OPPORTUNITIES

Mr. PRESSLER. Mr. President, 1992 presents the U.N. system, and international diplomacy in general, with new challenges and opportunities. In this regard, the new Secretary General of the United Nations, Boutros Boutros-Ghali of Egypt, will have much to say about how multilateral activities are conducted and what decisions will be made.

In Boutros Ghali, the United Nations has chosen a highly experienced diplomat and scholar from the continent of Africa. He is the first U.N.

Secretary General from that continent. His long background in the service of Egypt, and in international studies and causes, combined with a distinguished academic career and extensive activities in international law, should prove invaluable. Mr. President, it is hard to imagine that a more complete diplomat and expert could have been chosen.

Undoubtedly he will receive a great deal of advice on the speed and direction his reorganization of the United Nations should take. There is every reason to believe that Secretary General Ghali will continue—and even accelerate—the substantive personnel and budgeting reforms which were begun largely in response to American concerns in the mid-1980's.

And I raised those budget concerns here on the Senate floor at the time.

Mr. President, the new Secretary General knows better than many that the U.S. Congress plays a unique role in U.S. policy toward U.N. management, funding and personnel issues. Thanks to the excellent work of the Senator from Kansas, NANCY LANDON KASSEBAUM, effective pressures were placed on that international organization at a time when America-bashing, wasteful spending, and padded employment rolls were the norm there.

The entire organization, as well as other elements of the U.N. system, need fundamental rationalization. In other words, Mr. President, the duplication and overlapping of responsibilities which have cost so much for four decades need to end. Assistant Secretary of State John Bolton uses the phrase, "the unitary U.N." to describe both the problem and the solution. Duplicative organizations may have to be shut down, or their missions may have to be redefined to avoid wasteful expenditures.

Incredibly, a number of U.N. member states oppose this concept and have decided that the modest reform efforts begun in part in response to the Kassebaum amendment should end.

Transferring employees, changing position descriptions, and reorganizing whole agencies seem to be fundamental concepts of sound management for the U.N. system.

The United States and other major contributors will continue to support the key elements of the Kassebaum amendment. First, Mr. President, a budget based on zero real growth makes a great deal of sense. That is an implicit provision of the Kassebaum amendment, which was altered slightly in the Foreign Relations Authorization Act (Public Law 102-138). Other goals of the Kassebaum amendment, such as a 15-percent reduction in U.N. system personnel and a complete end of secondment—the practice which permits individuals to be detailed to international civil service positions while retaining civil service rank and posi-

tions with their home government—also should be the targets of U.N. reform.

While international civil servants deserve to feel secure, subject to personnel reviews, continued tenure with their home governments weakens their ability to serve the U.N. system first and creates the appearance of dual loyalties. This is particularly true, Mr. President, in instances where a portion of hard currency salaries is rebated to the home government of an international civil servant.

As Boutros Ghali knows, the United Nations and many other international organizations have many legislative functions which are not dissimilar to what the U.S. Congress does. Excellent relations between the U.N. system and the U.S. Congress are essential. Here, good progress has begun through the work of an independent group, Foundation Emmes, to build lasting ties between the United Nations, Members of Congress, and senior staff.

In recent years, measurable progress has been made in beginning the rationalization and reform of the United Nations and other international organizations. Dr. Ghali has a golden opportunity to assure continued and accelerated progress.

One fundamental question that deserves top consideration in this process is what the United Nations can and should realistically hope to accomplish within the constraints of cost-effective budgeting. During 1991, Mr. President, there was a tendency to heap enormous new responsibilities on the United Nations—from the gulf war and peacekeeping to terrorism—to name just a few issues. This tendency needs to be reevaluated.

I raise this issue as a long-time friend and supporter of the United Nations and of multilateral diplomacy. At the same time, domestic necessities demand that we scrutinize all Federal expenditures—including those of international organizations. Because of the scale of assessments on the United States, U.N. system costs to the U.S. taxpayer are increasing dramatically. No end is in sight to this cost spiral.

Secretary General Ghali is to be commended for selecting a fine new Under Secretary for management, Dick Thornburgh, our former Attorney General. Both of those men will have their hands full creating an efficient, unitary United Nations.

The United States is meeting its responsibilities toward the United Nations, and I am delighted to be able to say that as a member of the Minnehaha County United Nations Association.

I support President Bush's intention making good on our U.N. obligations, including the plan which promises to repay funds withheld by the United States because of U.N. noncompliance with the Kassebaum amendment. The Foreign Relations Committee, on

which I serve, soon will be required to decide on an additional \$750 million authorization for U.N. peacekeeping activities, for which the United States is assessed 30.7 percent of the budget. Every proposed increase must be justified completely and every U.N. program must be reviewed carefully to ensure that it is justified and cost effective. As much as I support the U.N. system, it is not a panacea to solve all the world's woes.

Mr. President, as most Senators know, the United States is assessed 25 percent of the U.N. general budget. In addition, our country has been extremely generous in its voluntary contributions to multilateral activities. Secretary General Ghali should not be surprised if Congress asks more questions about the way the U.N. system spends its funds. However, budget scrutiny should not be interpreted as an indication of diminishing support.

Mr. President, my point is that the United Nations cannot and should not try to do everything. As the many new nations have discovered, national sovereignty is an essential and potentially very positive element of diplomacy. I doubt whether most Americans would support activation of the U.N. Military Staff Committee if it would result in a standing U.N. military force and I question whether Americans are prepared to yield to non-Americans command of any forces the United States might contribute.

On July 29, 1991, during consideration of the Foreign Relations Authorization Act for fiscal years 1992 and 1993, the Senate adopted my amendment to increase employment of U.S. citizens in those U.N. system agencies which have geographically distributed hiring goals. That emphasis was preserved in the bill President Bush signed into law on October 28, 1991 (Public Law 102-138). As strong supporter of an effective, efficient United Nations, I believe that American citizens ought to be encouraged to work for U.N. system agencies.

Mr. President, having served as a public delegate to the U.N. General Assembly and as a longtime supporter of multilateral diplomacy, I welcome Dr. Boutros Ghali to his new position—and to the new challenges he will find in the United Nations. His 28 years as a leading academic and 14 years as Egyptian Foreign Minister have prepared him perhaps better than any other Secretary General has been prepared to that position. Congress desires a better relationship with the U.N. system. Working together, we can revitalize the U.N. system and make it function better.

The ACTING PRESIDENT pro tempore. The Senator from Washington [Mr. GORTON] is recognized to speak for up to 15 minutes under the previous order.

#### SPOTTED OWL RECOVERY PLAN

Mr. GORTON. Mr. President, in his State of the Union Address, President Bush called for a \$5,000 tax credit for first-time home buyers. I enthusiastically support this effort to stimulate the economy and bring this country back from its recession. The construction industry has traditionally lead the economy out of recessions and I am confident that this measure will increase the demand for wood products. That is good for the country generally and for the Pacific Northwest specifically.

Unfortunately, the increased demand in wood products will be met with a drastically decreasing domestic supply of those same products. In the Northwest alone, the supply of Federal timber has dropped from an average annual sales level of nearly 5 billion board feet to only 1 billion board feet last year with the probability of about the same this year. This drop in supply has dropped prices higher and higher. The price of framing lumber has risen 32 percent from an average price of \$233 per thousand board feet over the last five Februaries to \$307 per thousand board feet today. The composite price of plywood has risen 41 percent from an average price of \$217 per thousand board feet over the last five Februaries to \$304 per thousand board feet today. And then, on top of this it is estimated that the President's proposed measures will stimulate an additional 20 percent of lumber consumption this year in the building of new homes.

This increasing demand will chase a limited supply and prices will go through the roof. If the supply of timber is not increased, the President's \$5,000-per-home tax credit could easily be eroded by these rising lumber and plywood prices. If the median-priced house sells for \$100,000 today and 15 percent, or \$15,000 is attributed to lumber and plywood costs, it is easy to see that an increase of approximately 35 percent in the price of these materials will offset the President's \$5,000 tax credit.

At the same time, the increase in demand could further increase the ratio of lumber imports to domestic supply, thus devastating the domestic timber industry even more than it has already been devastated by spotted owl restrictions. This country already imports more than one-quarter of its softwood lumber and those imports could double within months if the demand suddenly accelerates. This is no time to exacerbate an already painful trade deficit.

To date, the limited supplies have curbed prices at already high levels. But I fear that a failure to solve the timber supply crisis in the Northwest could prevent the President's economic recovery package from doing the good work it is intended to do.

Mr. President, the most immediate and pressing method for resolving the



Northwest's timber supply crisis lies in a reasonable recovery plan for the northern spotted owl. The Department of the Interior has been preparing a recovery plan, but not the right one. This plan is required by the Endangered Species Act. The Endangered Species Act, however, does not require the implementation of a recovery plan and there is no deadline for the production of such a plan. The Secretary's recovery team has developed a plan that does nothing to ensure stability for families and communities who rely on Federal timber in the Pacific Northwest or significantly to increase timber supply. This plan, if implemented, may result in the recovery of the owl, but it is a Cadillac for the owls, not an economy car. The people of timber communities would pay for that Cadillac with this plan when it is dubious that they can afford even an economy car.

The recovery plan being floated by the recovery team is nothing more than the Thomas plan of 1990. That is right, even some members of the recovery team have said that it amounts to "Thomas plus." Rich Nafziger, the Washington State Governor's representative to the recovery team, was recently quoted in the *Seattle-PI* as saying: "The entire emphasis has been on maximizing protection of the owl. I'm not convinced that the plan does anything to reduce economic costs."

In fact, the recovery team's plan goes well beyond the protection afforded by the Thomas plan. The Thomas plan stated that it could protect 1,149 pairs of owls on Federal land in the Northwest and that this protection would reduce the timber harvest by 1.417 billion board feet. Two years later, the recovery team's plan would protect 1,281 pairs of owls, or 264 more owls than the Thomas plan, and reduce the timber harvest by 1.434 billion board feet—slightly more than the Thomas plan called for. So, the proposed plan would protect more owls at slightly greater cost than the Thomas plan. Mr. President, this is absurd. Any plan should present a balance between the status quo ante and the Thomas plan; it should not protect more owls at a greater cost.

Despite the enormous costs of the plan proposed by the recovery team, a few individuals, including those representing the Pacific Northwest in the Congress, are calling for its swift release, but they are not telling the whole story.

The President has called for a moratorium on all regulations and programs that would have a negative economic impact. The administration has interpreted the recovery plan to be such a program and included it in the moratorium. This is a correct decision. If this recovery plan is not a program that will have negative economic impacts, then I do not know one that will.

The administration has gone one step further. The Secretary of the Interior

announced the day before yesterday that he is forming an interagency working group to develop options to the recovery team's draft plan that will result in significantly lowering human and community impacts. This working group will develop a plan that preserves the owl rather than increase its numbers from an already bountiful population of 3,000 nesting pairs. Any such plan will require congressional authority.

This is an important positive development. The Secretary is taking an active and leading role on this issue and he needs to know that timber communities support this effort. I encourage the timber communities of the Northwest to contact the Secretary personally to support his leadership.

I fully expect this interagency, working group to prepare legislation that will allow the Secretary to implement a more responsible recovery plan. I await the arrival of such legislation—impatiently. This is not an effort to prevent a resolution to this problem. This is a sincere effort on the part of the Bush administration to inject some sense into this process and to come up with a recovery plan that communities quite literally can live with.

Yet, in an attempt to embarrass the administration, some have claimed that these are stalling tactics, that communities in the Northwest need the recovery team's plan because they need some resolution to the spotted owl debacle and that the administration is playing politics. Those same people are trying to sell their constituents a bill of goods. They are trying to sell the unacceptable Thomas plan without revealing its identity and devastating impacts to their constituents. If anyone is playing politics, it is those who would have you believe that the recovery team's plan is good for the Northwest and that it should be implemented as soon as possible.

Yes, a resolution is important. But at what cost? The people of timber communities in the Northwest have been waiting for years to resolve this crisis. We should not rush toward a bad answer just for the sake of resolution. The leaked recovery plan is Thomas revisited and it would permanently devastate the economy of timber communities. Those who advocate such a quick resolution do so for political expediency and in doing so, advocate the devastation of communities, careers, families, and an economy vital to economic recovery. I am flatly opposed to the recovery team's plan and I am not afraid to say that I want to see it rejected.

There is another good reason to oppose the recovery team's plan: because a decent alternative exists. Biologists representing several companies in the Northwest and the industry's association have produced an alternative that is still under development. It was pre-

sented to the recovery team and is now subject to peer review. This alternative would only place between 3 and 5 million acres in owl reserves, compared to the nearly 7 million acres now designated as critical habitat. This alternative is far less onerous to the economy of the Northwest. Unfortunately, this plan has not been given a fair shake. The President's 90-day moratorium will give the authors of the plan and the Department of the Interior much-needed time to refine this alternative. It would be a tragedy to rush into a costly and destructive resolution when so much is at risk and when a viable alternative exists.

I am convinced that if the people of timber communities in the Northwest knew that the plan being forced upon them was almost a replica of the Thomas plan, they would be as exercised as they were at the god squad rallies in Portland last week. They are not and as a result, they may be vulnerable to a good sales pitch. Those who have an interest in the recovery plan should pay close attention. Do not allow your representatives to sell you a bill of goods. Be patient. Give the administration a chance to find a better alternative, a better alternative which does exist and can be implemented by this Congress.

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from West Virginia [Mr. ROCKEFELLER] is recognized for up to 10 minutes.

Mr. ROCKEFELLER. I thank the Chair.

(The remarks of Mr. ROCKEFELLER pertaining to the introduction of S. 2237 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

The ACTING PRESIDENT pro tempore. The Senator from Tennessee is recognized for up to 5 minutes.

#### THE ACCRUAL ACCOUNTING GIMMICK

Mr. SASSER. Mr. President, in the next month, there will be much sound and fury about competing tax cut plans, and there will be a considerable amount of theater about the dictates of the 1990 budget agreement.

We saw the first act last year when the President twice took the unprecedented step of refusing to sign expanded unemployment benefits at a time of very deep recession. Why did he refuse to sign those 2 attempts to extend unemployment insurance benefits for the millions of unemployed? His explanation was, well, it was not paid for.

I thought the President's interpretation of the Budget Act was overly rigorous at that time. To my mind, it was also dangerously inflexible. Millions of unemployed Americans paid the price of that inflexibility.

Now we approach the question of actually addressing the country's under-

lying economic weaknesses that occasioned that widespread unemployment.

The stakes are far higher, the temptation to do the expedient thing is far greater, and I submit the potential for damage could be far reaching, indeed.

In the heat of the political moment, in the heat of this political year, the administration's interpretation of the Budget Enforcement Act has turned from one of icy resolve last fall when this Congress was trying to extend unemployment benefits to now one of pure smoke and vapor when they wish to do something that they find to their liking.

The administration's recovery package is held up by a peculiar and wobbly support—a new accounting method for the Pension Benefit Guaranty Corporation. That method is known as accrual accounting. Under this ingenious new accounting treatment, certain future liabilities are recognized in the Federal budget for the first time. The liabilities that might occur or accrue in the outyears are recognized in the budget.

Now, that might be a step we may well want to take at some point, but using the same accounting change with which we are acknowledging potentially huge drains on the Treasury in the outyears, the administration is claiming savings of \$20 billion—that is \$20 billion in funny money that the administration would create and then spend. There is not a single dime of new revenue and not a single penny of real savings to create this money they are now spending.

Two things, though, would be very real if we adopted the President's proposal and used accrual accounting as the basis for it. There would be \$20 billion in new borrowing requirements and a \$20 billion reduction in our revenue base. So the principle behind the administration's accounting change seems to be this: If you can somehow contrive to forecast future savings off of a future liability, then you are allowed to spend them immediately.

That is, indeed, a strange doctrine to propound in the name of fiscal prudence. It is the ultimate budget fantasy, and I thought that I had seen it all. The possibilities for mischief are literally endless.

Suppose I, or the distinguished Senator from Illinois [Mr. DIXON] would just forecast savings in the strategic defense initiative—forecast savings in the outyears in the strategic defense initiative or savings in the space station, say, in the 4th or 5th year of construction—savings may be achievable 10 or 20 years from now—and then I propose taking those savings that we have forecast in SDI, or the space station, 10 or 20 years from now and spending them today on Head Start, or spending those savings we forecast in the future on the WIC Program today. That is what in essence we are being asked to do.

My colleagues may have grave questions about the theory behind such a move, as did I. Mr. President, I asked the Director of the Congressional Budget Office, Dr. Robert Reischauer, to analyze the issue for us. This morning I had his reply, and I ask unanimous consent that the entire text of Dr. Reischauer's letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

CONGRESSIONAL BUDGET OFFICE,  
Washington, DC, February 18, 1992.

Hon. JIM SASSER,  
Chairman, Committee on the Budget, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: Thank you for your letter of February 11 requesting CBO's views on the Administration's proposals to modify federal pension termination insurance and banking policy and to convert the budgetary basis of accounting for the Pension Benefit Guaranty Corporation (PBGC) and deposit insurance from cash to accrual. In response, I wish to emphasize four points:

Federal budgetary accounting for these insurance programs needs to be improved;

CBO does not believe, however, that the accrual accounting measures proposed by the Administration are suitable for use in the budget at this time;

No PAYGO savings should be scored for the policy changes proposed by the Administration; and

The Administration's proposal to provide mandatory appropriations for insurance costs could increase taxpayer liability for these programs.

#### CURRENT ACCOUNTING

Cash-basis accounting for insurance programs fails to provide complete information about the cost of these activities. For deposit insurance, cash-basis includes in budget outlays and the deficit the distorting effects of outlays for the acquisition of assets and the proceeds of asset sales. These transactions distort trends in the deficit. Similarly, cash-basis accounting gives the false impression that the government is currently earning profits from pension insurance. The Budget Enforcement Act effectively removed the effects of most deposit insurance proposals from the provisions of PAYGO. Furthermore, CBO removes the deposit insurance cash flows from its budget projections to obtain a clearer picture of budgetary trends. Similar adjustments have not been made for pension insurance.

#### PROPOSED BUDGETARY TREATMENT

OMB's proposed accounting for deposit insurance is superior to present cash flow accounting for evaluating the financial condition of the insurance funds, and its market valuation techniques could be useful in setting insurance premiums. The accounting treatment proposed for PBGC is more problematic. Specifically, the effect of the Administration's proposals is to adopt inconsistent forms of accrual accounting for deposit insurance and the PBGC in the budget. For deposit insurance, the administration's approach largely recognizes costs when economic insolvency occurs. For the PBGC, costs are recognized in the budget year they are forecast rather than when they are incurred. For example, the cost of an insured bank insolvency in 2010 that was first forecast in 1993 would be scored in the budget of 2010. By contrast, the cost of a pension plan termination in 2010 that was first forecast in 1993 would be scored in the 1993 budget.

While the Administration's methods for estimating accrued costs could be useful for some purposes, they are complicated, would be difficult to replicate and implement, and are not necessarily the best way to estimate costs. We would have no confidence in any comparable re-estimates that we could generate in the current budget cycle. Indeed, because of the uncertainty of the estimating procedures, we believe it would be imprudent to incorporate them into the budget without substantial study. If the Administration's—or alternative—reform measures are viewed as urgent, they can be introduced, analyzed, and enacted without changing current budget accounting.

#### PAYGO SCOREKEEPING

The Administration proposes to raise the minimum contributions required of sponsors of insured pension plans; to limit federal liability for increased benefits in underfunded plans; and to improve the status of PBGC claims against sponsors in bankruptcy. According to OMB, these changes would reduce the cost of federal pension insurance over the next 30 years by billions of dollars. However, if costs and cost savings are recognized only in the years they are incurred or achieved—rather than moved up to the year they are forecast—no significant budgetary or PAYGO savings would be achieved by these policy changes before 1997.

Even if the Administration's version of accrual accounting were accepted, it would be inappropriate to record PAYGO savings for costs that had never been recognized before in the budget. Under the Administration's accrual accounting proposal, significant costs would be estimated for the first time but not scored, while savings from proposals to reduce these costs would be credited to PAYGO. Thus savings designed to meet PBGC costs could be used to pay for other budgetary initiatives. Any savings should first be applied to the newly estimated insurance costs. Accordingly, CBO would score budgetary savings only when these insurance programs have income in excess of anticipated costs. The same point applies to the Administration's proposals involving bank reform legislation and the estimated impacts for deposit insurance.

Legislated changes in budgetary accounting, moreover, can run afoul of the existing prohibitions on directed scorekeeping. If legislation contains language that directs the budgetary accounting or scorekeeping treatment for that legislation, CBO disregards the directive in scoring that legislation until such time as the scorekeeping provisions become law. While the proposal is pending, we do not change our scoring practice. If this were not the case, any bill could evade all controls of the Budget Act by directing that a cost was not a cost. Therefore, at the present time, we would use cash-basis accounting for legislation mandating substantive changes in the deposit insurance and pension insurance programs for purposes of enforcing points of order on the House and Senate floors.

The Administration's reform proposals for PBGC would do much to make up the current PBGC shortfall and enhance the financial stability of pension termination insurance. Ironically, under the current cash basis of accounting, these reforms would add to the federal deficit in the near term and constitute a charge against PAYGO. This perverse outcome suggests a fundamental incompatibility of current accounting for PBGC and the PAYGO rules. The simplest remedy for the short-term is not to change the accounting, but to remove PBGC from



the PAYGO scorecard as has been done for deposit insurance. The Congress should be held harmless in the budget for adopting policies to control the cost of pension insurance.

#### TAXPAYER LIABILITY

Under current law, the explicit federal liability is \$100 million in borrowing authority for PBGC. Strong recent experience suggests, however, that a legal limit on federal liability that is not consistent with de facto liability is not likely to be an effective limitation. The legal limitation will be especially weak where the public presumes the existence of open-ended federal liability. The existing \$100 million legal limit, therefore, may be a gross under-estimate of the actual federal liability.

The question of who is liable for PBGC and deposit insurance financial shortfalls, however, does lead to an additional, important reason that these proposals should not earn PAYGO credit. The proposals do not reduce claims on the federal general fund. Specifically, the CBO baseline does not contain any general fund appropriations (except for borrowing authority) for BIF or PBGC in the projection period. Rather, by CBO projections, all losses are fully funded by present and future insurance premiums. Adopting the Administration's policy reforms would reduce losses accruing to the BIF and PBGC and permit offsetting reductions in insurance premiums. These reforms leave the general fund unaffected. They, therefore, would not free federal monies for use in funding new budgetary initiatives.

The Administration's package of proposals for deposit insurance and PBGC also makes a subtle, but major, policy change in the primary source of funding for financial shortfalls in these two insurance programs. In the past, the first resort source of money to cover financial deficiencies in these funds has been to raise the level of premiums. A general fund appropriation, by contrast, has been regarded as a last resort, discretionary action taken by the Congress only to avoid the possibility of default.

The Administration proposes to replace this process with an annual mandatory appropriation that would be triggered by any shortfall between annual premium income on the one hand and annual total costs on the other. This changes fundamentally the priority of liability for the cost of these programs. The taxpayer's share increases; the insured's share decreases. This shift increases the general fund deficit unless the Congress acts to reduce program costs. An alternative approach would be to create a closer link between insurance fund losses and insurance premiums and, thereby, to maintain the self-financing nature of these insurance programs.

#### CONCLUSION

The Administration's accrual accounting proposal, while a step in the right direction for analyzing deposit and pension insurance, is not ready for incorporation in the budget. Under current Congressional scorekeeping practices, the savings from the Administration's policy changes should not be available to pay for other budgetary initiatives.

Sincerely yours,

ROBERT D. REISCHAUER,  
Director.

Mr. SASSER. Let me directly quote Dr. Reischauer's primary conclusions, if I might. No. 1, quoting Dr. Reischauer's letter now, the "Congressional Budget Office does not believe that the accrual accounting measures

proposed by the administration are suitable for use in the budget at this time."

No. 2, quoting Dr. Reischauer further, "No pay-go savings should be scored for the policy changes proposed by the administration."

No. 3. Still quoting, "The administration's proposal for insurance costs could increase taxpayer liability for those programs."

So the Congressional Budget Office Director has concluded, No. 1, that the President's proposals are not paid for, and furthermore, that they could increase taxpayer liability in the out-years.

Dr. Reischauer goes on to say the administration's methods are "complicated, would be difficult to replicate and implement, and are not necessarily the best way to estimate costs." He says, "It would be imprudent to incorporate them into the budget without substantial study."

This is not some auxiliary issue we are talking about this morning. Accrual accounting is the primary payment mechanism for the President's tax proposals.

In the end accrual accounting amounts to voodoo accounting, a reckless way to try to pay for tax proposals, and it is not as though this administration does not know better.

Again twice last year the administration held relief for the unemployed to a rigidly high standard of budget purity.

At the very least, the dictates of consistency say that the administration should hold itself to the same standard with regard to the President's tax proposal. The administration should have to pay for its tax giveaways with legitimate savings.

And what would the President use this gimmick for? His tax package is not the tax relief for middle-income Americans that the State of the Union Address promised. It is not relief for students and working families. Rather, it is a passive loss real estate shelter, and investment tax allowance, a capital gains tax cut, a gravy train for the wealthiest of us—that leaves working families lashed to the tracks as that train roars down it.

Let me also be clear, Mr. President, that the accrual accounting changes is not benign. The proposed reforms will impose significant costs on certain firms and industries. There are going to be winners and there are going to be losers.

One clear loser identified in Dr. Reischauer's letter is the taxpayer. Under accrual accounting, liabilities now borne by insurance funds would clearly become liabilities of the taxpayer.

Quoting Dr. Reischauer: "This changes fundamentally the priority of liability for the cost of these programs. The taxpayers share increases; the insured's share decreases." In other

words, under the President's plan the banks and fortune 500 companies can rest easier. The middle-class taxpayer stands ready to pick up the tab.

Thankfully, this CBO letter has brought the accrual accounting gimmick crashing to earth with a resounding thud.

The CBO letter states unequivocally that the accrual accounting gimmick will not work to offset other spending. Quoting the conclusion of Dr. Reischauer's analysis:

The administration's accrual accounting proposal \*\*\* is not ready for incorporation in the budget \*\*\* the savings from the administration's policy changes should not be available to pay for other budgetary initiatives."

As Budget chairman, if and when this matter comes to the floor, I intend to raise a Budget Act point of order against any bill that purports to use accrual savings as a payment mechanism.

Mr. President, I yield the floor.

Mr. DIXON addressed the Chair.

The PRESIDING OFFICER (Mr. WELLSTONE). The Senator from Illinois is recognized.

Mr. DIXON. Mr. President, I ask unanimous consent to proceed for about 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### THE RECESSION HAS GONE ON TOO LONG—IT'S PAST TIME FOR ACTION

Mr. DIXON. Mr. President, this recession has now lasted over 600 days.

And 600 days is not just an insignificant number. It represents people that are hurting, people that are afraid, people that are being squeezed, people that see themselves slipping backward, and people that have lost that traditional American sense of optimism about the future.

Things are particularly tough in my State. Unemployment in Illinois is currently 8.3 percent, well above the national figure of 7.1 percent. Illinoisans see highly paid industrial jobs disappearing. They see health care costs rising to astronomical levels—that is, assuming they are lucky enough to have coverage.

People from my State know that, even when the economy does eventually pick up, economic growth will likely be weak by historical standards. They know that the recession has exposed serious, long-term economic problems that must be addressed. They know that, even before the recession, economic growth and productivity growth in the United States were at very low levels.

The U.S. Government must respond strongly and quickly with a short-term program to get the economy moving again. Immediate, targeted Government action is critical. Action on a

short-term stimulus package, which would include a tax cut for the middle-income citizens and increased Government spending on infrastructure projects, is needed—and it is needed now.

Even more important for the long term, however, is the need for action on a package of initiatives to deal with our more basic economic problems. Such a package would include a realistic trade policy that recognizes the differences between the United States and some of our major trading partners—one that will produce fair trade. It should emphasize proposals that make us more internationally competitive.

It should also give us the kind of strong industrial policy here at home that will better ensure our future economic growth and competitiveness because opening markets abroad and eliminating foreign unfair trade practices is not enough; we need to change here at home to compete successfully.

I think we need tax policies that stimulate savings and investment in manufacturing, and that promote greater U.S. exports. I think we need Government research and development and procurement policies that will help the United States retain—and in an increasing number of cases, reestablish—the technological leadership that has been such an essential feature of the U.S. economy in this century. And I think we need greater Government attention to technological areas that are critical to our economic future and our national security, like semiconductors and computers, communications, and aerospace. We need to have more initiatives like sematech—the consortium designed to help improve American competitiveness in semiconductor manufacturing—and we need to take advantage of opportunities, like the establishment of the new high-definition television standards, to bring high-tech manufacturing back into the United States.

It is important to note that many of the kinds of changes we need are not costly. Rather, they mostly involve thinking about long-term competitiveness, not just the short-term, and organizing Government activities and decisionmaking in a way that gives these critical issues the attention they deserve. All too often at the moment, U.S. economic interests are subordinated to other U.S. defense, foreign policy or other geo-political concerns. Our international competition, however, gives competitiveness, trade, and economic issues their top priority, and the result is that the United States is at a disadvantage. That must be changed.

Other essential elements of this package would include education assistance, so that the American work force can meet the demands of an increasingly technical and rapidly changing world economy, and comprehensive

national health care, to make this critical service more affordable and available.

Mr. President, many Members of Congress, including this Senator, have been pushing for these kinds of policy changes for a long, long, time now. Now the voters are beginning to speak and their voice is loud and clear. They want the recession ended. They want action on our long-term economic problems—now. They do not want to let ideology get in the way of the pragmatic steps that need to be taken.

It is time to stop blocking necessary change through vetoes and other obstructionist tactics. It is long past time to end this recession and to act on the underlying problems that unnecessarily darken what could otherwise be a very bright future for all Americans.

I yield the floor, Mr. President.

Mr. AKAKA addressed the Chair.

The PRESIDING OFFICER. The Senator from Hawaii is recognized.

Mr. AKAKA. Mr. President, during the consideration of S. 2166, the National Energy Security Act, the Senate adopted an amendment which will allow the people of the Pacific to breathe a sigh of relief. This amendment relates to the authority of the nuclear waste negotiator under the Nuclear Waste Policy Act of 1982.

The Senate modified the definition of "State" in the act to exclude U.S. territories and freely associated states from the act. As a consequence of this amendment, the U.S. territories and freely associated states may no longer be considered as sites for nuclear waste facilities.

Mr. President, the amendment was necessary to protect the people and the fragile environment of our Pacific Islands. As a Senator representing a Pacific State, I can vouch for the fears and concerns that Hawaiians share with their Pacific neighbors.

When the possibility arises of siting nuclear contaminants in one of the most pristine regions of the world, it is time to draw the line. The risks are unacceptable. Indeed, the people of the South Pacific region announced their intention several years ago to create a nuclear-free zone. The citizens of the South Pacific elected to cast off their nuclear yoke of fear. The Pacific has spoken with one voice: No more nuclear testing, storage, disposal, or experimentation in our back yard. With this amendment, we will achieve a nuclear waste-free Pacific.

The central issue, Mr. President, is equity. Is it right and is it fair that a region's peoples must shoulder the burden of our society's nuclear waste? Is it just that our territories, their voices and influence limited, should risk becoming our Nation's nuclear dumping ground?

Mr. President, I do not mean to detract from the important work of the nuclear waste negotiator. I do not

doubt that we have a serious challenge on our hands: Today the United States possesses 20,000 metric tons of spent fuel which is now stored throughout the country at commercial nuclear reactor sites in pools of water or in dry storage. By the year 2000, that amount will double. It is the job of the negotiator to find a State or Indian tribe willing to host a permanent repository.

But it should not be within the purview of the negotiator to consider territories and the freely associated states as repository sites. Indeed, they are ill-suited because of the greater shipping distances involved, geological obstacles in constructing underground repositories in the porous, shifting rock of island states, and highly vulnerable island ecosystems.

I am pleased, Mr. President, that the Senate has recognized the unique situation of our insular areas. We have removed the territories and the freely associated states from further consideration as nuclear waste repositories. When a community strongly expresses a wish, as have the people of the South Pacific, we must respect that wish. The Senate's thoughtful action reflects well on this institution. It is a first step on the road to a nuclear waste-free Pacific and, one might hope, to an environmentally sounder world.

I yield the floor.

Mr. WIRTH. Mr. President, yesterday our President was in Tennessee. The President said that we are now in a recession. He finally told the country what all of us have known. We are now in the 600th day of the Bush recession, 600 days. People in this country are hurting all over the United States and all over my State of Colorado.

When I first ran for the Senate in 1986, amazingly, our unemployment rate in the State of Colorado was higher than the national average, something that was brand new to us in the State of Colorado, a part of the country used to a certain amount of optimism, a sense of being immune from a lot of what is going on.

We went through in the late 1980's the worst of it. We went through this dramatic decline in our productive capacity. We went through a sharp decline in real estate values. We went through a major set of challenges to our financial institutions. And we know now, Mr. President, what the rest of the country is going through. We are very sensitive in understanding that. We are starting to come out of this, but we see how much pain the rest of the country feels.

And we are still hurting ourselves, Mr. President. Last week, I was in Pueblo, CO, and a woman said: You know, Tim, I am not afraid to die, but I am afraid to get sick, because if I do, that can break my family and take away everything that we have spent a lifetime putting together.

I was in eastern Colorado listening to people in those small farm commu-



nities, deeply worried about the future of their communities, and concerned that this administration and its agricultural policy simply does not care about the set of values that have been so important to our country, growing out of rural America, and watching with some despair as young people leave those areas of the country, never to return.

I was in Boulder, CO, talking with a large group of students feeling an enormous frustration that they are building up these vast pools of debt in order to go on to college and that promised land, and they do not see the opportunities coming out the other side they thought they were going to receive if they ran up all of this debt going on to college. It is not fair to them, and it is not fair to their futures, not only to load them down with this enormous amount of debt but not to have opportunity on the other side.

Members of organized labor, again in Pueblo, CO, disillusioned about the loss of their jobs, are saying over and over again: What is our Government doing to treat us fairly here in Pueblo? An environmental group, saying again and again: There are so many opportunities, if we would have an enlightened and thoughtful energy and environmental policy. We are missing those opportunities, both to lead the world and to look for major opportunities economically for us in the United States.

In Denver, 1 of 8 families are living off supplements from the Federal Government in terms of food; 1 in 13 in the State of Colorado. Food stamps are becoming a major part of their lives. All of this is something very new to people in my State.

What we are seeing now, Mr. President, is not only this despair and concern around the country, this despair and concern reflected very deeply in those comments by people in my State just in the last 10 days; we are seeing also a quest for change and something new. The request is being made from people: What are we going to do to change?

We must change. We cannot pay lip service any longer to education. We cannot any longer say we are going to focus on early childhood education, and then do nothing about it, as we have done for the last 3½ years. The education President has told us we are going to get kids into the Head Start Program, and still three out of four eligible kids are not enrolled. We cannot say we are going to do something about change in our schools, but not do anything to help change the teaching profession, which wants to change, wonderfully noble people who deserve to have the opportunity, say, of summer institutes, something we used to do to train and retrain them.

We need to focus on the issue of higher education, soon to be coming to the

Senate floor. It is time for making changes, and also time to reflect on the wonderful innovation to come out of our university community, that innovation which was so stimulated by our investments in research and development, which has declined dramatically since 1981; these engines of change in small business growth in the country, coming out of that partnership between the private and public sector, the Federal Government and universities and private business, which we have turned our backs on. We want to recommit ourselves to that. That has not been done, Mr. President.

There is the health care issue, which all of us know is just sweeping my State and the country like a prairie fire; the concerns about controlling costs, not nibbling around the edges; making the kinds of fundamental changes in health care that we have to do. And the people of our country are asking for that leadership and not receiving it.

The people—knowing we were in the Persian Gulf not to restore the legitimate Government of Kuwait, as told by the administration, but because of oil—are asking us to have an energy policy that starts to back out of that dangerous dependence on imported oil.

We started in that direction here in the Senate with the passage of that bill last night, not the kind of leadership and not the kind of vision we should expect from the administration.

In housing, there are thousands of people in my State living on the desperate edge in the area of housing, Mr. President, with an RTC that still controls a great deal of housing. We have to figure out how to get that into the hands of people who need it.

And defense changes as well. We have all talked about that, but where are they? We have to seriously remember that we are still spending about \$40 billion a year more than the peacetime average during the cold war, \$40 billion a year more when the cold war is over. The country is asking for and needs this sort of change for the economic well-being of the country, for the economic well-being of my State.

I was so struck, coming back from all of these different kinds of meetings all over my State, Mr. President, all kinds of sessions and meetings, of people saying we are hurting and we are deeply worried and we want to change. They are right. They have reason to be deeply worried. They have reason to ask for change. We are now in the 600th day, starting tomorrow, of this recession, 600 days. It is time that we do get the sort of change people in this country expect and deserve.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Maryland is recognized.

#### UNEMPLOYMENT

Mr. SARBANES. Mr. President, the Labor Department announced this

morning that jobless claims in the first week of February rose by 18,000, to 452,000. These are Americans who are making their first visits to the unemployment offices. That is up from the previous week's revised mark of 434,000. This jump in claims was worse than most analysts had been expecting. Obviously, you do not look simply at 1 week because the figure moves up and down. You look at a 4-week average, but that 4-week average for the latest period is 450,000. In fact, Robert Brusca, of Nikko Securities, commenting on these figures says, "I hesitate to use the word 'stabilized' because every week we are having 450,000 new claims being filed by people who do not have jobs. That is not a stable situation."

Last March, when the recession was considered by many to be at its nadir, the figure was 500,000 over a 4-week period. Last summer it rose to just over 400,000. It is now back up to 450,000 on a moving 4-week average.

Brusca went on to say, "You can clearly see the double dip. Now there is concern this could turn into a triple dip. If you use the ice cream parlor analogy, the economy remains in the deep freeze."

The unemployment claims, Mr. President, reflect only part of the difficult unemployment situation which exists. The official unemployment figure last month was 7.1 percent. That is people without a job looking for work. In addition, there were another 1.1 million people so discouraged they were not looking for work and 6.7 million people working part time who want to work full time. If you add that all together, you have 16.8 million people affected by unemployment. If you count the part-time people as half on the unemployment rate, you get a comprehensive unemployment rate of 10.8 percent.

The other thing that has happened during this economic period is that people's incomes have stagnated. This is very important to understand because I think it explains a part of the reason that there is so much concern in the country about the economic situation. Some have said, "The unemployment rate is at 7.1 percent, it has been worse in other recessions; therefore, the number of unemployed is not as severe as we experienced in previous recessions."

That does not take into account this comprehensive figure that I just talked about, and it also does not take into account the stagnation in incomes which has taken place. For instance, there has been a decline in after-tax income per capita over the last 3-year period.

This chart illustrates this fact. This is the real after-tax income per capita, and these are 3-year changes. You can see it has moved up and down, but for the first time there has actually been a decline over a 3-year period. Some-

times you get a decline over a 1-year period when you go into a recession but over a 3-year period, we have never before had an actual decline in real after-tax income per capita. Some people have not experienced that. The people at the very top of the income scale have not experienced a decline, but the vast majority of people in this country have actually seen their real after-tax income decline over this 3-year period.

We really have what my colleague, Senator BRADLEY, has referred to as a disposable-income recession. Senator BENTSEN pointed out a phrase used by Prof. Wallace Peterson, an economics professor at the University of Nebraska, "the silent depression," to describe everything from the decline in disposable income, which I have just illustrated, to the rising cost of major family expenses, such as health care and college tuition, to the increase in the number of two-income families and the decline in leisure time. In fact, Americans are working harder and longer to try to make ends meet, contrary to the accusations that have been made by some people.

So what we have had is that, even for those working who have a job, their real incomes have not improved. In fact, over the last 3 years they have worsened.

In an article in the National Journal of February 15, James Barnes, details this deterioration in the real-income situation. Added to this is the job insecurity triggered by the moves of many major corporations to permanently downsize personnel levels, which also erodes confidence about the future of the economy.

I think what the President has discovered in New Hampshire and elsewhere in the country is that there is a very serious economic situation. In fact, it is worse in a number of States than it is in New Hampshire, and it is both the unemployed, the partially employed, and the people who are employed who have found that their real after-tax income per capita has declined over the last 3-year period. This explains why voters are concerned about the economic situation.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Nevada is recognized.

#### EXTENSION OF MORNING BUSINESS

Mr. REID. Mr. President, I ask unanimous consent that the hour for morning business be extended until 12:45 p.m. this day and that the Senator from Nevada be allowed to speak for 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Nevada is recognized.

Mr. REID. I thank the Chair.

(The remarks of Mr. REID pertaining to the introduction of S. 2239 are lo-

cated in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

The PRESIDING OFFICER (Mr. KENNEDY). The Senator from Wyoming [Mr. SIMPSON] is recognized.

Mr. SIMPSON. Mr. President, I want to comment on a disturbing development in a very fine organization. I am speaking about the recent directive in which the Veterans of Foreign Wars national commander-in-chief called for the removal of Secretary Ed Derwinski, that he be fired, from his position as Secretary of Veterans Affairs.

I am a lifetime member of the Veterans of Foreign Wars. I have never had many moments in my life where I ever felt embarrassed about being a member of that fine organization. I am also a member of the American Legion and AmVets. But I must say that when I saw this almost hysterically contrived document by the executive director, Larry W. Rivers, who was reacting to a directive by the VFW commander-in-chief, I felt extremely disappointed and saddened.

I have it in its entirety. I ask unanimous consent that it be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

#### VETERANS OF FOREIGN WARS OF THE UNITED STATES, Washington, DC, February 3, 1992.

Name: All Department Commanders & Adj/ Qm's.

Fax: As appropriate.

Comments:

Commander-in-Chief Wallace has instructed this office to request State Commanders to immediately contact all District Commanders within their Departments regarding our renewed efforts in opposition to Derwinski's Rural Health Care Initiative.

Please instruct each District Commander to ensure that all Post in his/her District immediately write a letter, send a fax or, if possible, send a telegram to President Bush demanding an end to the Rural Health Care Initiative and also (if you agree) demanding that Secretary of Veteran Affairs Ed Derwinski be fired. The faster the better, so ask those that can to send a fax or a telegram.

Each District Commander should also write a similar letter/telegram/fax on behalf of the entire District. It would be helpful to the effort if a copy of the correspondence from The District Commander and the Posts could be sent to your entire Congressional delegation. Also, if you will ask that a copy of the correspondence be sent to the VFW Washington office it would allow me to keep the Commander-in-Chief up to date on the success of this important effort.

The Commander-in-Chief also asks that Department to set the example by sending a fax or a telegram to the President as well. Addresses are as follows:

The President, The White House, Washington, DC 20500 Telephone: 202-456-1414. Fax Number: 202-456-2481.

VFW Washington Office, 200 Maryland Avenue, NE, Washington, DC 20002 Fax Number: 202-543-6719.

The Cino ask that you give this request priority and act immediately. Thanks to you all.

Mr. SIMPSON. If that document has anything to do with civility or common sense, I have missed my guess. Reading that tripe, one would think it was the end of the veterans health care system. Then it has the unrestrained gall to say the Secretary of Veterans Affairs, Ed Derwinski, should be fired. If that is not the height of pomposity, arrogance, and childishness, I don't know what is. This is an unvarnished illustration of playing bully on the block. Ed Derwinski is good for veterans. He is a veteran. He is good for veterans and good for this country because he has the strength and courage to step up to some of the professional fundraising veterans groups—that is what I described them as—and lay it on the line, hard and fast.

So, let us get the wax out of our ears and look at what Derwinski is proposing. Hear me out fellow members of the VFW. The rural health care initiative is a joint effort along with the Department of Health and Human Services. It is not going to cost the VA a nickel. It is aimed at those who are eligible for Medicare and Medicaid or Indian Health Service assistance. The two sites are in areas where private health care services are either unavailable or inadequate. The test sites will not operate in competition with private providers. No eligible veteran will be displaced, and no services to veterans will be delayed or denied as a result.

The participating VA hospitals would be paid by Health and Human Services for services they provide to beneficiaries of HHS programs. The VA will not be out a nickel. This is simply a demonstration program.

The combined workload from veterans and other Federal beneficiaries will justify the new service and help stabilize existing services at two VA medical center sites with decreasing workloads. It allows underused rural VA facilities in areas where alternate medical care is unavailable to provide care to Health and Human Services beneficiaries and be reimbursed by HHS for that care.

I was initially wrong on one aspect of this program. The occupancy rate of the two pilot hospitals are higher than I had earlier believed.

But there are more than adequate beds to care for all veterans who receive care at these proposed sites, as well as a few poor nonveterans. The site in Tuskegee, AL, has a largely poor black population. The VA is the only hospital in the county. It is estimated this hospital receives 30 outpatients and 15 inpatients daily. The site in Salem, VA, serves a poor white population area. It will provide better access to care in remote areas of Appalachia. VA doctors will treat both veterans and nonveterans at these rural outposts and no nonvets will be seen at the Salem hospital. There is lots of merit to this program.



No VA funds will be diverted from veterans' care; Health and Human Services will cover all costs of non-veteran care.

Other advantages to the VA are: First, VA physicians' skills will be enhanced by expansion of patient population. Second, HHS dollars paid to VA remain at local facility, potentially allowing for enhancements to programs and quality of care.

The Department of Veterans Affairs is also working closely with the Department of Health and Human Services to ensure that veterans who are not eligible for VA medical care but who are eligible for Medicare benefits are included in the initiative.

This initiative is consistent with the Commission on the Future Structure of Veteran Health Care recommendations to increase the opportunities for sharing medical resources with the Department of Defense and Health and Human Services.

I understand that during the House Veterans' Affairs Committee budget hearing yesterday—February 19—that Representative CLIFF STEARNS of Florida and Representative DICK NICHOLS of Kansas came out in strong support for the rural health care initiative. I admire their courage. The professional fundraising veterans do not like that. And the arguments that Congressmen STEARNS and NICHOLS gave were that once their veteran constituents understood exactly what the limited rural health care initiative was all about, they supported it. In fact, they had no complaints.

So, I ask you, fellow veterans; please make sure you understand the rural health care initiative and its limited nature before you say it is or is not a good idea.

The fact of the matter is that the rural health care initiative is a smartly conceived, well thought out, well researched initiative aimed at helping the less fortunate in our country, and at the same time it will benefit some currently underused VA hospitals and, in fact, it may help solidify their places in the future of VA's health care system.

This is the most preposterous over-reaction I have seen in anything from the VFW yet. The attention surrounding the issue should not be focused on Ed Derwinski. It should be focused on Larry Rivers, the executive director of the VFW, and Rob Wallace, the VFW commander-in-chief. If these two are able to focus their galvanized hysteria onto the true benefits and positive aspects of the rural health care initiative, they will also see that Ed Derwinski has done so much for veterans and deserves our thanks and not our flagrant abuse.

In my time as chairman of the Senate VA Committee, others like them have always tried this gimmick. Specifically, to attack the VA Adminis-

trator and now the VA Secretary. They cried: Get rid of Max Cleland. He was a Democrat and a good, good man. They wanted his head. Then they wanted Tom Turnage's head, then Nimmo's head, and Roudebush's head, all previous VA Administrators. And then they asked the VA to be elevated to Cabinet-level status. Now they are crying for the Secretary's removal simply because they do not want to understand or try to understand this initiative or because their exorbitant egos have been severely bruised. This is simple balderdash, pure unadulterated greed on the part of the "professional fundraising veterans" group. They do not tell the grassroots veteran they are trying to take care of an underserved black and white population in America. They do not tell them the truth about programs like the rural health care initiative.

The fact of the matter is that there are roughly 600 VA sharing programs that total \$550 million already in existence. What difference is one program paid for by the Department of Health and Human Services going to make? And the answer is not one whit.

Somebody ought to call them to task. They will be in town in about 10 days and I will be there to do it. I hope others will join in watching this display of bullying that is not becoming to a fine organization I have been a member of for nearly 35 years. And to come in and pump it all out of proportion like this is a disservice to veterans in America.

I thank the Chair for the additional courtesies, and I thank my friend from Massachusetts for his courtesies.

#### EXTENSION OF MORNING BUSINESS

Mr. KENNEDY. Mr. President, I ask unanimous consent that morning business be extended.

The PRESIDING OFFICER (Mr. REID). Without objection, it is so ordered.

#### THE RECESSION

Mr. KENNEDY. Mr. President, we mark a grim and unnecessary milestone today—the 600th day of the Bush recession. The recession that the President told us would be short and shallow has now turned into one of the longest and deepest since World War II.

As they have for the past 600 days, the administration continues to look for good news with a microscope. The search goes on.

The index of leading indicators, which forecasts future economic growth, has fallen for 2 months in a row. Consumer confidence has plummeted more than 35 percent in the past 7 months, and is now close to an all-time low. The number of long-term unemployed has soared from 600,000 at the

start of the recession to almost 1.5 million.

Without an effective stimulus by the Federal Government, the future only holds more of the same distressing outlook—more unemployment, no growth in jobs or income, and families drifting farther away from the American dream. We need a real economic growth package to get this economy moving again and provide jobs.

But the President's proposals, even on the forecasts of his own economists, are inadequate to the task.

For 1992, the administration foresees real economic growth of 1.5 percent, which would be the most anemic recovery from recession since World War II.

They predict annual unemployment for 1992 to average 6.9 percent, with unemployment in the fourth quarter still stuck at the unacceptable level of 6.8 percent.

The administration does not believe that unemployment will get back to prerecession levels until 1997—5 years from now. Indeed, the President's advisers do not see real growth rising above 3 percent in the next 5 years.

This nonexistent national recovery will continue to inflict unnecessary and undeserved pain on Massachusetts and the rest of the Nation. Recent economic forecasts for the State predict that it may lose another 40,000 jobs during 1992, on top of the 275,000 lost in the past 2 years.

The American people are feeling the pain. In New England, consumer confidence about the current economic situation is at zero, an almost 200-point drop since 1988.

In the face of this crisis, the President proposes nothing that will help. If the administration's own national economic forecast is correct, then unemployment in Massachusetts could rise to over 9 percent in 1992. The emperor has no clothes, and President Bush has no economic recovery plan worth the name.

This continuing recession comes on top of longer term stagnation and decline in family income and American economic competitiveness. If the administration will not act to end this recession, and make long-term investments for future economic growth, then Congress must act.

Congress must put forward a sound economic program that jump-starts the economy, makes investments for the long-term, relieves the burden on State and local governments, and provides fair tax relief for the middle class.

I have proposed a specific plan to meet these goals, and so have many other Democrats. I continue to believe that a key element of any such plan must be an immediate public works program to create jobs and start the recovery.

There is substantial support among the American people for a vigorous economic recovery program, using sav-

ings on defense for domestic needs, not for tax reductions or reductions of the deficit at this critical time.

A recent New York Times poll found that 72 percent of the American people felt that we should use the peace dividend to deal with our domestic needs in the areas of education and the areas of health care. Only 8 percent believe we should use that for the reduction of taxes and only 14 percent to reduce the deficit. Clearly, the American people are ahead of the political leadership in this country.

Even among Republicans, an overwhelming majority, 64 percent, favored using defense cuts to meet domestic needs. Other polls have shown similar widespread sentiments for job creation, as did the voters in New Hampshire.

I support middle-class tax relief, paid for by higher taxes on the wealthy. But we should use the peace dividend to jump-start this economy, to create jobs, and to make the fundamental long-term investments that will lead to future prosperity.

It will be much more difficult to achieve these goals in the face of indifference and intransigence from the administration, but we must work to do so. The American people deserve our best efforts on their behalf.

#### EXTENSION OF MORNING BUSINESS

Mr. MCCAIN. Mr. President, I ask unanimous consent to extend morning business for 5 minutes so I may address the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### HEALTH CARE FOR VETERANS

Mr. MCCAIN. Mr. President, an issue has arisen in the last few months concerning the issue of health care for veterans. It has created a firestorm of controversy. It has aroused the veterans' community like no other issue that I have been familiar with in my 10 years as a Member of Congress. The rural health care initiative, in my view, is a proposal that probably has great merit. I think that our veterans, as well as all of our citizens, believe that we should do everything we can to provide medical care to all Americans, especially those who are least privileged.

Mr. President, the reason why veterans are concerned about this issue is because of the way that this program was implemented and, frankly, the lack of communication and consultation with the leadership of the veterans' community. It is my understanding that my colleague from Wyoming mentioned a couple of the leaders of the Veterans of Foreign Wars, Mr. Bob Wallace and Mr. Larry Rivers.

I know both of these gentlemen. I know them as dedicated, outstanding gentlemen who have not one ounce of

selfishness associated with them. Both of them have dedicated their very lives to assisting veterans, and I reject categorically any allegation that they are anything but the finest that our veterans' community and our Nation can offer. I am proud to call them my friends.

Mr. President, let me try to focus a little bit on the problem as I see it. It all has to do with eligibility.

The policy of the rural health care initiative is that no eligible veteran will be turned away. Of course, the question is: What is eligible?

Due to the lack of medical care facilities and the lack of health care that is available for veterans, we all know that veterans who have non-service-connected disability, are often not eligible to receive care at VA facilities. There is a widespread perception throughout the veterans community, that veterans are not receiving care in veterans medical facilities, while non-veterans are receiving care ahead of them. Additionally, because of the lack of communication that exists, many veterans are alarmed, that this pilot program will be expanded throughout the country. Anyone who is familiar with the issue of health care for veterans knows perfectly well that we are lacking across the board—whether it be in surgical wards, nursing homes, geriatric wards, or pure medical care.

Mr. President, in Tucson or Phoenix, AZ, there is not enough room for veterans to stand, much less sit in waiting rooms, waiting for the care that was promised to them as part of their reward for their service to this great Nation and their willingness to serve and sacrifice.

Mr. President, I had hoped, and I still hope, that we can get the President of the United States and the leaders of the veterans' community to sit down together and get this issue resolved. The veterans of this country need to be told that we will do everything in our power to provide them with the health care they have dutifully earned. This is not an entitlement or a welfare program. It is a benefit which they have earned through service and sacrifice to the United States of America.

There have been statements to which I would like to respond, about greedy veterans, about narrowminded veterans, about veterans who are only concerned about themselves.

Mr. President, I am proud to be a veteran. But far more importantly than that, I have had the privilege of knowing thousands of veterans across this country. They are not selfish. They are not self-centered. They are not unwilling to serve their fellowman.

Go to any post—American Legion, Disabled American Veterans [DAV], Veterans of Foreign Wars [VFW]—and you will find that most of their efforts are, or on behalf of the community—whether they be in patriotic celebrations or helping others.

Go to a VA hospital. You will find that the volunteers there are generally from the auxiliary the American Legion, the VFW, or the DAV.

Mr. President, it has been my experience that the veterans of this country have proven through their continued service to this Nation that they neither are selfish nor narrowminded nor are they greedy. They are the group of citizens I most admire and revere. I hope we can get this issue behind us, and get it settled. We need to get it done in consultation, not confrontation. I will continue to rely on the advice and counsel of the veterans of this country.

I thank the Chair.

#### TRIBUTE TO CHIEF N. DOUGLAS STARBIRD

Mr. MITCHELL. Mr. President, on February 22, Chief N. Douglas Starbird, chief of the York, ME, Police Department, will be honored by colleagues, friends, and family upon his retirement after 35 years as a law enforcement official in service to the people of Maine. I would like to join in recognition of Chief Starbird's distinguished and lengthy career.

Chief Starbird was born and raised in Dexter, ME. After graduating from Foxcroft Academy, at the age of 19 he joined the U.S. Navy, serving from 1943 until 1945. While in the service, he attended Tufts College and the Massachusetts Institute of Technology, receiving training in navigation. After completion of this tour of duty with the Navy, he returned home, married Vicki Wright, and became the father of two children, Linda and Jeffrey.

In 1955, Chief Starbird became a Maine State trooper, responsible for patrolling the southern end of the Maine Turnpike. During his 20 years of service as a State trooper, Chief Starbird rose consistently up through the ranks, being promoted to sergeant, then lieutenant, then captain.

In 1975, Chief Starbird retired from the Maine State Police and was hired as the chief of police in York. Shortly thereafter, York Beach and York Village were consolidated, and the two police departments merged. As the resulting community expanded and the police department outgrew its old space at the Town Hall, Chief Starbird was instrumental in moving the police department to its present location at 37 Main Street, York Beach. During his 15 years as chief of the York Police Department, Chief Starbird saw the department grow from 6 to 20 full-time officers.

Mr. President, throughout his career, Chief Starbird has been committed to service to his community and to his country. In addition to his career in law enforcement, he has been active in a number of civic organizations, including the Rotary Club of York. He



has also served as a member of the Maine Chiefs of Police, the New England Chiefs of Police, and the International Association of Chiefs of Police.

I am pleased to have this opportunity to join Chief Starbird's many friends, colleagues, and family members in honoring him upon his retirement. His many years of public service, and his lifelong commitment to his community, set an example for us all.

I extend my warmest best regards to Chief Starbird and his family, and my best wishes for good health and happiness in his retirement.

#### EXTENSION OF MORNING BUSINESS

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. PRYOR. Mr. President, I ask unanimous consent that the period for morning business be extended.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PRYOR. Mr. President, I do not think I will take more than 10 minutes.

I ask unanimous consent that at the expiration of my remarks the Senate stand in recess until 2:30 p.m.

The PRESIDING OFFICER. That will be the order.

The Senator from Arkansas is recognized.

Mr. PRYOR. I thank the Chair.

(The remarks of Mr. PRYOR pertaining to the introduction of S. 2239 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

#### RECOGNIZING THE ACCOMPLISHMENT OF CHRISTINE BANNON-RODRIGUES

Mr. CHAFEE. Mr. President, I believe it is worthy to pay tribute to the outstanding achievements of Christine Bannon-Rodrigues who, at the Eighth World Association of Karate/Kickboxing Organization Championships last October in London, became the first person—man or woman—to capture three world titles and set a new world record at one world championship.

Christine is well-known as an extraordinary athlete of the martial arts, and is considered by many to be the best all-around woman competitor ever to compete in sport karate. Her previous credits include 15 first-place national titles which earned her the National Blackbelt League's coveted "Adult Competitor of the Year" award in 1991.

Under the guidance of her coach and husband, Don Rodrigues, the 25-year-old native of Warwick, RI, has continued her aggressive pursuit of excellence. In January alone Christine was named "Female Athlete of the Year" by Words Unlimited, the association of

sportswriters and sportscasters of Rhode Island, in addition to being inducted into the National Blackbelt League 1991 and the Inside Kung-Fu 1992 Halls of Fame respectively.

It is with great pleasure that I recognize and honor Christine's exceptional skills and accomplishments. She is an example to all who have aspirations of success and the determination to make them real. Christine is a source of pride to all of us in Rhode Island and we wish her continued success.

#### DR. JAMES HUGHES' PROPHETIC WORDS

Mr. LEAHY. Mr. President, I want to share with you and the other Members of the Senate a talk given by Dr. James Hughes about the neglect of children in our society. Dr. Hughes addressed a congregation in Post Mills, VT, last August. He talks about the increasingly complex society that our children encounter. As a pediatrician in the District of Columbia, Dr. Hughes knows firsthand about the challenges of keeping families together and the perils of inner-city violence for our children.

In America, many children are growing up healthy, confident and skilled, but too many are not. Too many American newborns are dying. Our country ranks 22d in infant mortality rates among industrialized countries, whereas Japan ranks first as having the lowest infant mortality rate. Forty years ago the opposite was true. Too many children grow up in poverty. One in five live in poverty and go to bed hungry. And of the 37 million Americans without health insurance, a fifth are children. In addition, many children suffer the injustices of corrupt neighborhoods, poor school systems, and broken families. For many, opportunities are limited.

Mr. President, today's parents are raising children in a world vastly different from the one I remember when two of three American families consisted of a father who was the breadwinner, a mother, and the children they were raising. Today fewer than one in five families fits this description. "Quality time" is a new addition to the American vocabulary.

When I was young my parents instilled in me the belief that each generation has a duty to make life better for the next generation. Let us then not forget the responsibility we have to our children. That is the American dream and we need to recapture it.

Childhood is one of life's most important developmental periods. It is about turning mystery into understanding and providing a stable base from which our children can grow.

Mr. President, as we begin this year's debate on the Nation's budget, I urge every Member of the Senate to think about what Dr. Hughes has to say about the needs of our children.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

#### CHILDREN

Today we're talking about children.

I like them. I've found few Scrooges in my life who don't. Being a pediatrician gives me the kicks I need. There's always a happy story out of every day. It's hard to have a bad day when a 10-month-old pulls with fascination on my eyebrows, a three-year-old proudly counts her toes for me (the evident number may be five, but proud reports of 4, 5, or 6 seem equally common) or a preschooler recites the names of the four Teenage Mutant Ninja Turtles pictured on his underpants. (Incidentally, I'll autograph a copy of today's program for anyone who can finish that list of unlikely sewer-dwelling heroes which starts with Michaelangelo, Raphael, and Leonardo!) I have been truly blessed by my profession. Daily I'm brought into contact with neat kids. Daily I stand in awe of the enormous task young mothers take on. And daily, in my inner city practice, I think of the dying Absaloms and the mourning Davids.

Because of the nature of my District of Columbia practice on North Capitol Street most of the children seen by my group of 5 pediatricians have single mothers. I had cause to review the chart of one of these children recently. He had joined our practice two years earlier at the age of twelve. My colleague's notes then read, "Did well in seventh grade", and recorded an unremarkable physical examination. The next year's notes were similar unremarkable entries by my fellow physicians concerning common ailments. Then began a sequence of inner city events: a head injury; a laceration; an infected hand following a fist fight; a bullet wound in the foot; his first case of gonorrhea at 14; and an overdose on doxycycline when he took at one sitting 8 of the 14 pills prescribed for a seven day course of treatment of chlamydia. (For those of you who don't know, chlamydia is the commonest sexually transmitted disease among American adolescents.) I first saw the boy on that occasion and made my chart entry on his Problem List: "Youth at Risk". I offered him HIV testing which he declined. His worried mother insisted, however, and he reluctantly consented. Her advice was sound. One out of every sixty women delivering babies in the District of Columbia is infected with this virus, the cause of AIDS. Happily, he was negative. I reviewed with him carefully the ways that HIV is transmitted and the importance of condoms for those with multiple sexual partners. I urged that he establish an ongoing, working relationship with me or with one of my colleagues. I saw him a month later for a second bout of gonorrhea. Again I urged that he come to see me or another pediatrician on a regular basis starting with a health assessment.

The final chart entry was by one of our Advice Nurses recording his mother's call. No, he wouldn't be in for his health assessment with me. He had been shot dead on Mother's Day.

Absalom, too, had gone astray. He had usurped the palace of his father, David, and to prove his mastery had had intercourse with David's ten concubines. Absalom was even out to destroy his father, yet David wept at the news of his death.

We're not told in Samuel II how Absalom's mother felt about her son's death. In Washington, DC, we usually don't hear about the father's pain.

You may have read two months ago about the single mother driving her three kids

home from a visit with Grandma. They were on my North Capitol Street when occupants of two other nearby cars began shooting at one another. In the crossfire, one stray bullet went through this young mother's head, killing her instantly. Her three children survived the crash. I can't recall the press reporting how the father(s) of her three children felt. I'm not sure the paper even identified him or them.

The district of Columbia has 600,000 residents, just slightly more than the State of Vermont. 450 of these Washingtonians die each year of homicide, a death rate of about 0.75/1000 per year. Most of these slayings are drug related; many involve teenage boys. By comparison, 30,000 Nicaraguans lost their lives during the decade of Contra war. For that nation, at war, with just over 3,000,000 people, that was a death rate of about one per 1000 per year. Thus, we in Washington are experiencing a death rate of our sons from homicide that is only a shade less than the rate which Nicaragua suffered in an all-out civil war!

"O my son Absalom, my son, my son Absalom. Would I had died instead of you, O Absalom, my son, my son!"

Today we're talking about children.

What about poverty and American's children? One index of poverty is the ability to pay one's medical bills. We've heard that 37 million Americans have no health insurance. That's some 70 times as many Americans as there are citizens of the State of Vermont; a lot a needy Americans.

Our children are disproportionately poor. The Children's Defense Fund monograph, "The State of America's Children, 1991", reports that in 1989, the last year for which final statistics were available, 19.6% of America's children under 18 lived in poverty. (That's quite an increase over the 16.4% in 1979 or the 14% in 1969). For American children under the age of 6 the picture is even more bleak: 15.3% living in poverty in 1969, a jump to 17.8% in 1979, and then to a colossal 22.5% in 1989! We spend less per capita of our gross national product on elementary and secondary school than 13 other industrialized nations. Furthermore, we seem to care less. The measles encephalitis which in their childhood brain damaged Jack Kennedy's sister and put my sister-in-law into coma for a month became preventable in the early 1960's. As CDF reports, "In the late 1970's measles eradication seemed within reach. By 1983, the United States had brought the number of cases down to an all-time low of 1500. Five years later, following a significant decline in the number of children immunized, a measles epidemic struck communities across the nation, hitting hardest in some of the largest cities. In 1990 the number of cases swelled to 25,000."

For comparison, let's look at a really poor nation, Nicaragua, with a 1987 gross national product per capita of \$830. That's less than 5% of the \$18,530 each of us in the USA enjoys. The Washington Post in March of this year reported that among the nations of the Western Hemisphere, Nicaragua currently ranks #19 in its rate of measles immunization. Nicaragua was beset by a decade of Contra counter-revolution in the 1980's, a war in substantial part underwritten by the United States. We all know where we placed our political priorities in the 1980's. The same Congress which voted some \$447 million to overt aid to the Contras cut financing for measles vaccine here at home. The result? On the scale that ranks Nicaragua #19 in measles immunization rate the USA ranks #26. It's tempting to speculate how much

better off the children of both Nicaragua and the United States would be if instead of spending some \$400,000,000 to arm the Contras Congress had spent it on measles eradication here at home.

Today we're talking about children.

We've recently been treated to pictures of the G7, the economic summit of the Heads of State of the leading industrialized nations: the "Board of Directors of the World" as the Boston Globe called them. As that Directorate looked down from its lofty summit onto all the nations of the world, I wonder if any of those seven Heads of State thought of the Jesus who charged his followers to "Let the little children come to me, and do not stop them; for it is to such as these that the kingdom of heaven belongs?"

To their credit, it's pretty clear that the other G7 States think more about their children than does the United States. The same decade of the 1980's which trained us in Grenada and Panama for our 1990 Desert Storm conquest saw our 1988 rate of death for American children under the age of 5 sink to 22nd place among the nations of the world. Our Desert Storm battlefield casualties were but a trifle compared to the number of American infants who die each year, 40,000, half of whom would not have died had they been born in Japan rather than in the Land of the Free.

The social cost of our neglect of our children is grotesque. In Washington, DC, there is one arrest per year per 14 residents. More than a million Americans are now in jail or in prison, a rate of imprisonment rivaled only by the Soviet Union and South Africa.

Today we're talking about children.

In this church on Independence Day weekend the American Flag was placed in front of the choir. Doctor John read ringing phrases from our Declaration of Independence. "When in the course of human events, it becomes necessary for one people to . . .", etc. Are we today at such a time when the course of human events calls us to look at what we have been doing to our children? Remember what the Preamble to our Constitution says: "We, the people of the United States, in order to form a more perfect Union, establish justice, insure domestic tranquility, provide for the common defense, promote the general welfare, and secure the blessings of liberty [not just "liberty" but "the blessings of liberty"] to ourselves and our posterity ["posterity": that's our children], do ordain and establish this Constitution for the United States of America."

President Bush, in welcoming the Soviet Union into the fellowship of nations with free market systems said (and I believe I quote him directly) "Competition brings with it the opportunity for success—and the risk of failure." He's very correct. But I would add that, for children in a purely competitive system, there is not just a risk of, but rather a guarantee of failure. Children do not thrive in a free market system without advocates. Remember the story from Matthew. "Then little children were being brought to him in order that he might lay his hands on them and pray. The disciples spoke sternly to those who brought them; but Jesus said, 'Let the little children come to me, and do not stop them; for it is to such as these that the kingdom of heaven belongs.' And he laid his hands on them and went on his way." The children were losing in their struggle to approach Jesus until He became their advocate: "Let the little children come to me, and do not stop them; for it is to such as these that the kingdom of heaven belongs!"

Jesus weighed in on the side of children. Are we prepared to do likewise?

The coin I'm holding up is embossed with the Latin phrase, "E pluribus unum": out of the many comes one. The "one" is us, the great American nation. We—you and I and every other American—are the great collective, the "unum e pluribus". And it is incumbent upon us to do what scripture and the Preamble to our American Constitution call upon us to do for our children. And it is our President's job—sworn to on the Bible as he or she takes the oath of that high office—to uphold that Constitution, doing all those things it lists not for momentary self-gratification, not for the worldly glory of summitry, not for the temptation of a Devil on a high mountain but "to secure the blessings of liberty for ourselves and our posterity".

Today we're talking about children.

I feel we have indeed come to one of those times in the course of human events when change is required: truly a miraculous conversion. Too many American newborns are dying, too many grow up in poverty, too many suffer the injustice of poor schools, decaying neighborhoods, broken families, limited opportunity, the covert marketing of drugs and the overt promotion of alcohol and tobacco and the idolatry of media's violence and its myth of irresponsible sex.

Of course it will cost money. Do we have it? Currently our infamously inefficient and inequitable health care system consumes approximately \$2700 per capita per year. Are the kids in your family getting their \$2700 worth of health care? Each new B-2 bomber we buy would cost every American man, woman, and child \$4.40 according to Physicians for Social Responsibility. And then there's the "off-budget" S&L bailout and the "off-budget" Persian Gulf War.

Of course we have the money! But it is absolutely certain that, whether we are or are not recovering from our recession, our children will not benefit without a massive re-ordering of our priorities in their direct behalf.

Free market competition offers each of us the opportunity to be as rich as Donald Trump is (or was), the chance to crown our success with the building of palatial casinos. But is such the path we're called upon to follow? Is such the way to secure the blessings of liberty for ourselves and our posterity?

We have forgotten our children. But we, through collective action, can now advocate for them. In this land of the free we are free to act in our children's behalf—or not to do so. The choice is ours. We can make it.

Today we've been talking about children. Now let's do something.

#### COMMENDING BONNIE BLAIR, OLYMPIC GOLD

Mr. DIXON. Mr. President, it is with great pleasure that I rise to congratulate a determined and dedicated young woman from Champaign, IL.

Last week, during the 16th winter Olympics, Bonnie Blair became the first American woman to win consecutive winter Olympic gold medals with a victory in the 500-meter speed skating event. At the 1988 winter Olympics in Calgary, Canada, Bonnie skated to the gold medal. She repeated that remarkable feat in this year's Olympics in Albertville, France, crossing the finish line in 40.33 seconds to claim the first gold medal of the Olympic games for the United States.



But Bonnie was not finished garnering gold for her country. A few days later, in the 1,000-meter speed skating event, she toed the line against two longtime rivals, Ye Qiaobo of China and Christa Luding of Germany. When the long, exhausting race was over, Bonnie Blair, by .02 seconds, had become the first American woman speed skater to win two gold medals in one Olympics.

Her story is unique among many Olympic hopefuls. Although she comes from a skating family and claims to have had skates on her feet at age 2, Bonnie had to work, going door to door asking neighbors, friends, and relatives to help her share the enormous costs of equipment, training, and travel as she prepared for the Olympics.

I would like to commend the Campaign Police Benevolent Association which has been behind Bonnie since 1982. In her honor, they have established "the American policemen scholarship fund for Olympian Bonnie Blair." This scholarship will provide college grants to future law enforcement officers so her name and winning spirit will be remembered far beyond those Olympic games.

In the stands during the race, members of Bonnie's enthusiastic family, all wearing her own team uniform of purple jackets, swayed in unison and sang "My Bonnie Lies Over the Ocean."

We are all proud of what Bonnie has accomplished. Among the assembly of the greatest athletes in the world, Bonnie came out on top not once, but twice. To this, I salute her and wish the best of luck to our entire American team.

#### THE UNIVERSITY OF NEW ENGLAND COLLEGE OF OSTEOPATHIC MEDICINE: ITS PRIMARY MISSION IS PRIMARY CARE

Mr. COHEN. Mr. President, to date the national health care debate has focused primarily on the access problems of the millions of Americans who do not have adequate insurance and who have been priced out of the market by skyrocketing health care costs.

There is, however, another side to the access problem, and it has little or nothing to do with insurance. For millions of rural Americans, access to even basic health care services is a problem not because they lack insurance, but because they lack the physicians or other providers to deliver care.

Over one-third of my home State of Maine is currently experiencing severe shortages of physicians providing basic primary care. Further, a 1986 survey indicated that fully one-half of Maine's general practice physicians, most of whom practice in rural areas, will have retired by 1996. With the ever-increasing costs of medical education, a declining enrollment in primary care

residency programs, and in many areas an aging population of rural doctors, this situation will only get worse before it gets better unless steps are taken to address the problem.

Primary care physicians are critical to the delivery of health care in rural areas where hospital services are limited and often great distances away. The primary care physician is typically the first physician the patient sees. The primary care physician makes the initial assessment, attempts to solve as many problems as possible, and coordinates the health care team. The primary care physician is also responsible for providing continued contact with the patient and the patient's family.

Recruiting and retaining a primary care physician can be one of the most difficult tasks facing a rural community or, for that matter, an inner-city neighborhood. According to the Department of Health and Human Services, 13 million Americans live in 2,082 rural and urban communities considered medically underserved. These include 21 areas in Maine, where an estimated 55,000 people live without a nearby doctor or medical clinic.

One program that has been invaluable in helping to address this shortage of basic health care providers in both rural and urban America is the National Health Service Corps. This year, the corps awarded 288 scholarships, and today I want to publicly recognize the medical school that, in spite of having one of the smallest enrollments, led the Nation in the number of students accepted into the National Health Service Corps.

This year, nearly 6 percent of the medical students accepted into the National Health Service Corps were from one institution—the University of New England College of Osteopathic Medicine in Biddeford, ME. That is a remarkable percentage when one considers that the college's enrollment represents less than one-half of 1 percent of the total national medical school enrollment.

The University of New England College of Osteopathic Medicine, Maine's only medical school, is a school with a vital and focused mission: the training of primary care physicians for Maine and New England. It accomplishes this with a program and a philosophy anchored in primary care practice, a clinical faculty of community-based practitioners for role-modeling, and a community-based clinical clerkship program. While it was founded barely 14 years ago, 70 percent of its graduates now enter primary care, more than any medical school in New England. It is also one of only a few schools nationwide to provide a rural clinical training rotation for its students.

The University of New England College of Osteopathic Medicine, through its mission, its curriculum, and ultimately, through its graduates, is re-

sponding to the rural, primary care challenge facing Maine and New England. The State of Maine, the New England region, and the National Health Service Corps will all benefit greatly from the services of the graduates of the University of New England College of Osteopathic Medicine, and I am pleased to have this opportunity to pay tribute to this unique institution.

Mr. LOTT. Mr. President, I ask unanimous consent that the period of time for morning business be extended for 10 minutes.

The PRESIDING OFFICER. The Chair, in his capacity as a Senator from Nevada, objects.

Mr. LOTT. Mr. President, will you state that again? What is the parliamentary situation here?

#### CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.

#### RECESS

The PRESIDING OFFICER. Under the previous order, the Senate will stand in recess until the hour of 2:30 p.m.

Thereupon, at 1:09 p.m., the Senate recessed until 2:30 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer [Mr. DODD].

#### HIGHER EDUCATION AMENDMENTS OF 1991

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of S. 1150, which the clerk will report.

The bill clerk read as follows:

A bill (S. 1150) to reauthorize the Higher Education Act of 1965, and for other purposes.

The Senate proceeded to consider the bill, which had been reported from the Committee on Labor and Human Resources with an amendment to strike all after the enacting clause and inserting in lieu thereof the following:

#### SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Higher Education Amendments of 1991".

(b) TABLE OF CONTENTS.—The table of contents is as follows:

Sec. 1. Short title; table of contents.

#### TITLE I—POSTSECONDARY IMPROVEMENT AND COMMUNITY SERVICE

Sec. 101. Fund for the improvement of postsecondary education.

#### TITLE II—ACADEMIC LIBRARIES AND INFORMATION SERVICES

Sec. 201. Amendment to title heading.

Sec. 202. Authorization of appropriations.

Sec. 203. Library experts.

Sec. 204. College library technology and cooperation grants.

Sec. 205. Library education, research, and development.

Sec. 206. Library education and human resource development.

- Sec. 207. Research and demonstration.
- Sec. 208. Improving access to research library resources.
- Sec. 209. College library technology and co-operation grants.

#### TITLE III—INSTITUTIONAL AID

- Sec. 301. Findings.
- Sec. 302. Hispanic-serving institutions.
- Sec. 303. Duration of grants.
- Sec. 304. Grants to institutions.
- Sec. 305. Minimum allotment.
- Sec. 306. Professional or graduate institutions.
- Sec. 307. Establishment of grants.
- Sec. 308. Endowment challenge grants.
- Sec. 309. Application for assistance.
- Sec. 310. Waiver authority.
- Sec. 311. Cooperative arrangements.
- Sec. 312. Repealers.
- Sec. 313. Assistance to institutions under other programs.

- Sec. 314. Authorization of appropriations.

#### TITLE IV—STUDENT ASSISTANCE

- Sec. 401. Program authority and method of distribution.
- Sec. 402. Repealers.
- Sec. 403. Authorization of appropriations.
- Sec. 404. Amount and duration of grants.
- Sec. 405. Agreements with institutions; selection of recipients.
- Sec. 406. Allocation of funds.
- Sec. 407. Grants to States for State student incentives.
- Sec. 408. Applications for State student incentive grant program.
- Sec. 409. Early intervention program.
- Sec. 410. Special programs for students from disadvantaged backgrounds.
- Sec. 411. Talent search.
- Sec. 412. Upward bound.
- Sec. 413. Student support services.
- Sec. 414. Educational opportunity centers.
- Sec. 415. Staff development activities.
- Sec. 416. Evaluation for program improvement.
- Sec. 417. Special programs for students whose families are engaged in migrant and seasonal farmwork.
- Sec. 418. Allocation among States.
- Sec. 419. Selection of scholarships.
- Sec. 420. Awards ceremony.
- Sec. 421. Authorization of appropriations.
- Sec. 422. Payments to institutions of higher education.
- Sec. 423. Veterans education outreach program.
- Sec. 424. Access scholarships.
- Sec. 425. Limitations on individual federally insured loans and on Federal loan insurance.
- Sec. 426. Eligibility of student borrowers and terms of federally insured student loans.
- Sec. 427. Applicable interest rates.
- Sec. 428. Federal payments to reduce student interest costs.
- Sec. 429. Supplemental loan for students.
- Sec. 430. Plus loans.
- Sec. 431. Consolidation loans.
- Sec. 432. Default reduction programs.
- Sec. 433. Requirements for disbursement of student loans.
- Sec. 434. Default of student under Federal loan insurance program.
- Sec. 435. Reports to credit bureaus and institutions of higher education.
- Sec. 436. Legal powers and responsibilities.
- Sec. 437. Student loan information by eligible lenders.
- Sec. 438. Definitions for student loan insurance program.
- Sec. 439. Repayment by the Secretary of loans of bankrupt, deceased or disabled borrowers.
- Sec. 440. Special allowances.
- Sec. 441. Student loan marketing association.

- Sec. 442. Authorization of appropriations.
- Sec. 443. Allocation of funds.
- Sec. 444. Grants for work-study programs.
- Sec. 445. Job location and development programs.
- Sec. 446. Work-learning program and student mentor pilot program.
- Sec. 447. Income contingent direct loan demonstration program.
- Sec. 448. Authorization of appropriations.
- Sec. 449. Agreements with institutions of higher education.
- Sec. 450. Student loan information by eligible institutions.
- Sec. 451. Terms of loans.
- Sec. 452. Cancellation of loans for certain public service.
- Sec. 453. Distribution of assets from student loan funds.
- Sec. 454. Student aid methodology.
- Sec. 455. Amount of need.
- Sec. 456. Cost of attendance.
- Sec. 457. Family contribution.
- Sec. 458. Student aid methodology; data elements.
- Sec. 459. Expected family contribution for dependent students.
- Sec. 460. Expected family contribution for independent students with dependents other than a spouse.
- Sec. 461. Expected family contribution for single independent students or for married independent students without other dependents.
- Sec. 462. Regulations; updated tables.
- Sec. 463. Simplified needs test.
- Sec. 464. Discretion of student financial aid officer.
- Sec. 465. Definitions; general calculation rules.
- Sec. 466. Definitions.
- Sec. 467. Master calendar.
- Sec. 468. Forms and regulations.
- Sec. 469. Student eligibility.
- Sec. 470. Statute of limitations.
- Sec. 471. Information dissemination activities.
- Sec. 472. National student loan data system.
- Sec. 473. Simplification of the lending process for borrowers.
- Sec. 474. Institutional refunds.
- Sec. 475. Early awareness information program.
- Sec. 476. Program participation agreements.
- Sec. 477. Assignment of identification numbers.
- Sec. 478. Transfer of allotments.
- Sec. 479. Criminal penalties.
- Sec. 480. Advisory committee on student financial assistance.
- Sec. 481. General provisions.
- Sec. 482. Institutional integrity program required.

#### TITLE V—EDUCATOR RECRUITMENT, RETENTION, AND DEVELOPMENT

- Sec. 501. Educator recruitment, retention, and development.

#### TITLE VI—INTERNATIONAL EDUCATION PROGRAMS

- Sec. 601. Purpose.
- Sec. 602. Graduate and undergraduate language and area studies.
- Sec. 603. Language resource centers.
- Sec. 604. Undergraduate international studies and foreign language programs.
- Sec. 605. Research; studies; annual report.
- Sec. 606. Periodicals and other research materials published outside the United States.
- Sec. 607. Equitable distribution of funds.
- Sec. 608. American overseas research centers.
- Sec. 609. Authorization of appropriations for part A.
- Sec. 610. Centers for international business education.
- Sec. 611. Education and training programs.
- Sec. 612. Authorization of appropriations for part B.

- Sec. 613. Minority foreign service professional development program.
  - Sec. 614. Definitions.
- #### TITLE VII—CONSTRUCTION, RECONSTRUCTION, AND RENOVATION OF ACADEMIC FACILITIES

- Sec. 701. Repealers and redesignations.
- Sec. 702. Prior rights and obligations.
- Sec. 703. Improvement of academic and library facilities.
- Sec. 704. Federal assistance in the form of loans.
- Sec. 705. Apportionment priorities.
- Sec. 706. Funding rules.
- Sec. 707. Definitions.
- Sec. 708. Forgiveness of certain loans.

#### TITLE VIII—COOPERATIVE EDUCATION

- Sec. 801. Cooperative education.

#### TITLE IX—GRADUATE PROGRAMS

- Sec. 901. Graduate programs.

#### TITLE X—POSTSECONDARY IMPROVEMENT PROGRAMS

- Sec. 1001. Postsecondary improvement programs.

#### TITLE XI—PARTNERSHIPS FOR ECONOMIC DEVELOPMENT AND URBAN COMMUNITY SERVICE

- Sec. 1101. Repeal of title.

#### TITLE XII—GENERAL PROVISIONS AND DEMONSTRATION PROGRAMS

- Sec. 1201. Definitions.
- Sec. 1202. Special criteria for high-risk institutions.
- Sec. 1203. National Advisory Committee on Institutional Quality and Integrity.
- Sec. 1204. Demonstration programs.

#### TITLE XIII—EDUCATION ADMINISTRATION

- Sec. 1301. Studies.

#### TITLE XIV—AMENDMENTS TO OTHER LAWS

- Sec. 1401. Higher education technical amendments.
- Sec. 1402. General Education Provisions Act.
- Sec. 1403. United States Institute of Peace.
- Sec. 1404. Law enforcement unit records.

#### TITLE XV—NATIONAL CENTER FOR THE WORKPLACE

- Sec. 1501. Purpose.
- Sec. 1502. Establishment.
- Sec. 1503. Use of funds.
- Sec. 1504. Board of Advisors.
- Sec. 1505. Gifts and donations.
- Sec. 1506. Authorization of appropriations.

#### TITLE I—POSTSECONDARY IMPROVEMENT AND COMMUNITY SERVICE

##### SEC. 101. FUND FOR THE IMPROVEMENT OF POSTSECONDARY EDUCATION.

Title I of the Higher Education Act of 1965 (hereafter in this Act referred to as the "Act") (20 U.S.C. 1001 et seq.) is amended to read as follows:

##### "TITLE I—POSTSECONDARY IMPROVEMENT AND COMMUNITY SERVICE

##### "PART A—INSTITUTIONAL ASSISTANCE

##### "Subpart I—Fund for the Improvement of Postsecondary Education

##### "SEC. 111. FUND FOR THE IMPROVEMENT OF POSTSECONDARY EDUCATION.

"The Secretary is authorized to make grants to, or enter into contracts with, institutions of postsecondary education or combinations of such institutions and other public and private nonprofit institutions and agencies, to enable such institutions and combinations of such institutions to improve postsecondary education opportunities by—

"(1) encouraging the reform, innovation, and improvement of postsecondary education, and providing equal educational opportunity for all;



"(2) the creation of institutions and programs involving new paths to career and professional training, and new combinations of academic and experiential learning;

"(3) the establishment of institutions and programs based on the technology of communications;

"(4) the carrying out in postsecondary educational institutions of changes in internal structure and operations designed to clarify institutional priorities and purposes;

"(5) the design and introduction of cost-effective methods of instruction and operation;

"(6) the introduction of institutional reforms designed to expand individual opportunities for entering and reentering institutions and pursuing programs of study tailored to individual needs;

"(7) the introduction of reforms in graduate education, in the structure of academic professions, and in the recruitment and retention of faculties; and

"(8) the creation of new institutions and programs for examining and awarding credentials to individuals, and the introduction of reforms in current institutional practices related thereto.

**"SEC. 112. NATIONAL BOARD OF THE FUND FOR THE IMPROVEMENT OF POSTSECONDARY EDUCATION.**

"(a) **ESTABLISHMENT.**—There is established a National Board of the Fund for the Improvement of Postsecondary Education (hereafter in this subpart referred to as the 'Board'). The Board shall consist of 15 members appointed by the Secretary for overlapping 3-year terms. A majority of the Board shall constitute a quorum. Any member of the Board who has served for 6 consecutive years shall thereafter be ineligible for appointment to the Board during a 2-year period following the expiration of such sixth year.

**"(b) MEMBERSHIP.**—

"(1) **IN GENERAL.**—The Secretary shall designate one of the members of the Board as Chairman of the Board. A majority of the members of the Board shall be public interest representatives, including students, and a minority shall be educational representatives. All members selected shall be individuals able to contribute an important perspective on priorities for improvement in postsecondary education and strategies of educational and institutional change.

"(2) **APPOINTMENT OF DIRECTOR.**—The Secretary shall appoint the Director of the Fund for the Improvement of Postsecondary Education.

**"(c) DUTIES.**—The Board shall—

"(1) advise the Secretary and the Director of the Fund for the Improvement of Postsecondary Education on priorities for the improvement of postsecondary education and make such recommendations as the Board may deem appropriate for the improvement of postsecondary education and for the evaluation, dissemination, and adaptation of demonstrated improvements in postsecondary educational practice; and

"(2) advise the Secretary and the Director of the Fund on the operation of the Fund, including advice on planning documents, guidelines, and procedures for grant competitions prepared by the Fund.

"(d) **INFORMATION AND ASSISTANCE.**—The Director of the Fund shall make available to the Board such information and assistance as may be necessary to enable the Board to carry out its functions.

**"SEC. 113. ADMINISTRATIVE TECHNICAL PROVISIONS.**

"(a) **TECHNICAL EMPLOYEES.**—The Secretary may appoint, for terms not to exceed 3 years, without regard to the provisions of title 5 of the United States Code governing appointments in

the competitive service, not more than 5 technical employees to administer this subpart who may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates.

"(b) **PROCEDURES.**—The Director of the Fund shall establish procedures for reviewing and evaluating grants and contracts made or entered into under this subpart. Procedures for reviewing grant applications or contracts for financial assistance under this section may not be subject to any review outside of officials responsible for the administration of the Fund for the Improvement of Postsecondary Education.

**"SEC. 114. AUTHORIZATION OF APPROPRIATIONS.**

"There are authorized to be appropriated \$20,000,000 for fiscal year 1993 and such sums as may be necessary for the 6 succeeding fiscal years to carry out this subpart.

**"Subpart 2—Innovative Programs at Institutions of Higher Education**

**"SEC. 115. PROGRAM AUTHORIZED.**

**"(a) GRANTS AUTHORIZED.**—

"(1) **GRANTS BY THE SECRETARY.**—In any fiscal year in which the appropriations for this subpart are less than \$10,000,000, the Secretary is authorized to award grants to State higher education agencies to pay the Federal share of the cost of the activities described in the application submitted pursuant to section 118.

"(2) **STATE GRANT PROGRAM.**—In any fiscal year in which the appropriations for this subpart equals or exceeds \$10,000,000, the Secretary is authorized, in accordance with the provisions of this subpart, to make grants to State educational agencies from allocations under section 116 to enable such agencies to pay the Federal share of the cost of the activities described in the application submitted pursuant to section 118.

"(3) **FEDERAL SHARE.**—The Federal share shall be 50 percent.

"(4) **COMPETITIVE BASIS.**—The Secretary shall award grants pursuant to paragraph (1) on a competitive basis.

"(5) **DEFINITIONS.**—For the purposes of this subpart the term 'State higher education agency' means the officer or agency primarily responsible for the State supervision of higher education.

"(b) **SPECIAL RULE.**—In awarding grants under this subpart, the Secretary shall ensure the equitable participation of public and private institutions of higher education in the program assisted under this subpart.

**"SEC. 116. ALLOCATION.**

"Each State higher education agency shall be eligible to receive a grant pursuant to section 115(a)(2) in each fiscal year that bears the same ratio to—

"(1) 50 percent of the amount appropriated pursuant to section 119 as the population in the State served by such State higher education agency bears to the total population of all States served by all State higher education agencies; and

"(2) 50 percent of the amount appropriated pursuant to section 119 as the number of full-time equivalents of students in the State served by such State higher education agency bears to the total number of full-time equivalents of students in all States served by all State education agencies.

**"SEC. 117. AUTHORIZED ACTIVITIES.**

"Each State higher education agency receiving a grant under this subpart shall use such grant to fund innovative programs at institutions of higher education within the State.

**"SEC. 118. APPLICATION.**

"Each State higher education agency desiring a grant under this subpart shall submit an application to the Secretary at such time, in such

manner and accompanied by such information as the Secretary may reasonably require. Such application shall describe the activities and services for which assistance is sought.

**"SEC. 119. AUTHORIZATION OF APPROPRIATIONS.**

"(a) **IN GENERAL.**—There are authorized to be appropriated \$10,000,000 for fiscal year 1993 and such sums as may be necessary for each of the 6 succeeding fiscal years to carry out this subpart.

"(b) **LIMITATION.**—No funds are authorized to be appropriated to carry out this subpart in any fiscal year unless the amount appropriated to carry out subpart 1 in such fiscal year equals or exceeds \$20,000,000.

**"PART B—COMMUNITY SERVICE PROGRAMS**

**"Subpart 1—Innovative Projects for Community Service**

**"SEC. 121. STATEMENT OF PURPOSE.**

"It is the purpose of this subpart to support innovative projects in order to encourage student participation in community service projects, including literacy projects.

**"SEC. 122. INNOVATIVE PROJECTS FOR COMMUNITY SERVICE.**

**"(a) PROGRAM AUTHORIZED.**—

"(1) **IN GENERAL.**—The Secretary is authorized, in accordance with the provisions of this subpart, to make grants to and enter into contracts with institutions of higher education (including combinations of such institutions) and with such other public agencies and nonprofit private organizations as the Secretary deems necessary for innovative projects designed to carry out the purpose of this subpart.

"(2) **PROJECTS.**—The projects described in paragraph (1)—

"(A) shall include supporting research regarding the effects of student community service organizations; and

"(B) may include—

"(i) providing assistance to student organizations that work with community service organizations;

"(ii) supporting linkages between youth service and conservation corps and higher education institutions; and

"(iii) supporting innovative international student service programs.

"(b) **APPLICATIONS.**—No grant may be made and no contract may be entered into under this section unless an application is made at such time, in such manner, and contained or accompanied by such information as the Secretary may require.

**"(c) APPLICABLE PROCEDURES.**—

"(1) **PROCEDURES.**—No application may be approved under subsection (b) unless the National Board of the Fund for Improvement of Postsecondary Education, under procedures established by the Director, approves the application.

"(2) **SPECIAL RULE.**—The provisions of section 113(b) shall apply to grants made under this subpart.

"(d) **DEFINITION.**—For the purpose of this subpart, the term 'community service' means planned, supervised services designed to improve the quality of life for community residents, particularly community residents with low income, or to assist in the solution of particular problems related to the needs of such residents. Such services may address problems related to illiteracy, education (including tutorial services), health and child care, vocational rehabilitation and training, social and legal services, transportation, housing, and neighborhood improvement, public safety, crime prevention and control, recreation, rural development, and any other problem specified by the Secretary.

**"Subpart 2—Student Literacy Corps**

**"SEC. 125. PURPOSE.**

"It is the purpose of this subpart to provide financial assistance to institutions of higher edu-

cation to promote the development of literacy corps programs to be operated by institutions of higher education in public community agencies in the communities in which such institutions are located.

**"SEC. 126. STUDENT LITERACY CORPS PROGRAM.**

"From the amount reserved pursuant to section 131(b) for any fiscal year, the Secretary is authorized, in accordance with the provisions of this subpart, to make grants to institutions of higher education for not more than 2 years to carry out student literacy corps programs.

**"SEC. 127. USES OF FUNDS.**

"(a) *IN GENERAL.*—Funds made available under this subpart may be used for—

"(1) grants to institutions of higher education for—

"(A) the costs of participation of institutions of higher education in the student literacy corps program for which assistance is sought; and

"(B) stipends for student coordinators engaged in the student literacy corps program for which assistance is sought; and

"(2) technical assistance, collection and dissemination of information, and evaluation in accordance with section 129.

"(b) *LIMITATIONS.*—

"(1) *AMOUNT.*—No grant under this subpart to an institution of higher education may exceed \$50,000.

"(2) *FIRST YEAR.*—No institution of higher education may expend more than \$25,000 of a grant made under this subpart in the first year in which the institution receives such a grant.

**"SEC. 128. APPLICATIONS.**

"(a) *APPLICATION REQUIRED.*—Each institution of higher education desiring to receive a grant under this subpart shall submit an application to the Secretary, at such time, in such manner, and containing or accompanied by such information as the Secretary may reasonably require.

"(b) *CONTENTS OF APPLICATION.*—Each such application shall—

"(1) contain assurances that the institution will use the grant in accordance with section 127;

"(2) contain adequate assurances that—

"(A) the institution has established 1 or more courses of instruction for academic credit which are designed to combine the training of undergraduate students in various academic departments such as social sciences, economics, and education with experience as tutors;

"(B) such individuals will be required, as a condition of receiving credit in such course, to perform not less than 60 hours of voluntary, uncompensated service during the academic term in a public community agency as a tutor in such agency's educational or literacy program;

"(C) such tutoring service will be supplementary to the existing instructional services, offered in a structured classroom setting, and furnished under the supervision of qualified personnel; and

"(D) the institution will locate such tutoring services in one or more public community agencies which serve educationally or economically disadvantaged individuals and will give priority in providing tutoring services to—

"(i) educationally disadvantaged students receiving services under chapter 1 of title I of the Elementary and Secondary Education Act of 1965; and

"(ii) illiterate parents of educationally or economically disadvantaged elementary school students, with special emphasis on single-parent households;

"(3) demonstrate that the institution of higher education has participated, prior to applying for a grant under this subpart, in community service activities, including the conduct of a cooperative education program; and

"(4) contain such other assurances as the Secretary may reasonably require.

"(c) *WAIVER.*—

"(1) *IN GENERAL.*—The Secretary may, upon request of an institution of higher education which does not meet the requirements of paragraph (3) of subsection (b), grant a waiver of the requirement under such paragraph if the institution of higher education provides assurances that—

"(A) the institution of higher education has conducted another significant program which involves community outreach and service; or

"(B) its failure to engage in community service-related programs or activities prior to making application under this subpart will not impede the ability of the institution to engage in the outreach efforts necessary to carry out the requirements of this subpart.

"(2) *SPECIAL RULE.*—An institution of higher education may apply for a waiver as part of the application described in subsection (b).

**"SEC. 129. TECHNICAL ASSISTANCE AND COORDINATION CONTRACT.**

"To the extent that funds are available pursuant to section 131, the Secretary may, directly or by way of grant, contract, or other arrangement—

"(1) provide technical assistance to grant recipients under this subpart;

"(2) collect and disseminate information with respect to programs assisted under this subpart; and

"(3) evaluate such programs and issue reports on the results of such evaluations.

**"SEC. 130. DEFINITIONS.**

"For the purpose of this subpart the term 'public community agency' means an established community agency with an established program of instruction such as elementary and secondary schools, Head Start centers, prisons, agencies serving youth, and agencies serving individuals with disabilities, including disabled veterans.

"Subpart 3—Authorization of Appropriations

**"SEC. 131. AUTHORIZATION OF APPROPRIATIONS.**

"(a) *IN GENERAL.*—There are authorized to be appropriated \$10,000,000 for fiscal year 1993 and such sums as may be necessary for the 6 succeeding fiscal years to carry out this part.

"(b) *RESERVATION.*—The Secretary shall reserve at least 50 percent of the funds appropriated pursuant to the authority of subsection (a) to carry out subpart 2 of this part."

**TITLE II—ACADEMIC LIBRARIES AND INFORMATION SERVICES**

**SEC. 201. AMENDMENT TO TITLE HEADING.**

The heading for title II of the Act (20 U.S.C. 1021 et seq.) is amended by striking "LIBRARY AND INFORMATION TECHNOLOGY ENHANCEMENT" and inserting "LIBRARIES AND INFORMATION SERVICES".

**SEC. 202. AUTHORIZATION OF APPROPRIATIONS.**

Section 201 of the Act (20 U.S.C. 1021) is amended—

(1) in subsection (a)—

(A) by amending paragraph (1) to read as follows:

"(1) college and university libraries in acquiring technological equipment and in conducting research in information technology in accordance with part A;";

(B) by amending paragraph (2) to read as follows:

"(2) in the education and training of persons in library and information science and to encourage research and development relating to improvement of libraries (including the promotion of economical and effective information delivery, cooperative efforts, and developmental projects) in accordance with part B;";

(C) in paragraph (3), by striking the semicolon and "and" and inserting a period; and

(D) by striking paragraph (4); and

(2) in subsection (b)—

(A) in paragraph (1)—

(i) by striking "1987" and inserting "1993";

and

(ii) by striking "4 succeeding" and inserting "6 succeeding";

(B) in paragraph (2)—

(i) by striking "\$5,000,000" and inserting "\$7,500,000";

(ii) by striking "1987" and inserting "1993";

and

(iii) by striking "4 succeeding" and inserting "6 succeeding";

(C) in paragraph (3)—

(i) by striking "\$10,000,000" and inserting "\$15,000,000";

(ii) by striking "1987" and inserting "1993";

and

(iii) by striking "4 succeeding" and inserting "6 succeeding"; and

(D) by striking paragraphs (4) and (5).

**SEC. 203. LIBRARY EXPERTS.**

Title II of the Act is further amended by inserting after section 202 the following new section:

**"SEC. 203. LIBRARY EXPERTS.**

"The Secretary shall make every effort to ensure that programs under this title are administered by appropriate library experts."

**SEC. 204. COLLEGE LIBRARY TECHNOLOGY AND COOPERATION GRANTS.**

Part A of title II of the Act (20 U.S.C. 1029 et seq.) is amended to read as follows:

**"PART A—COLLEGE LIBRARY TECHNOLOGY AND COOPERATION GRANTS**

**"SEC. 211. COLLEGE LIBRARY TECHNOLOGY AND COOPERATION GRANTS.**

"(a) *GRANTS AUTHORIZED.*—The Secretary is authorized to make grants for technological equipment, networking, and other special purposes to—

"(1) institutions of higher education which demonstrate a need for special assistance for the planning, development, acquisition, maintenance, or upgrading of technological equipment necessary to organize, access or utilize material in electronic formats and to participate in networks for the accessing and sharing of library and information resources;

"(2) combinations of institutions of higher education which demonstrate a need for special assistance in establishing and strengthening joint-use library facilities, resources, or equipment for the accessing and sharing of library and information resources;

"(3) other public and private nonprofit organizations (including public educational radio and television stations and program services, in cooperation with libraries) which provide library and information services to institutions of higher education on a formal, cooperative basis for the purpose of establishing, developing, or expanding programs or projects that improve the services provided by such organizations to institutions of higher education; and

"(4) institutions of higher education conducting research or demonstration projects that improve information services to meet special national or regional needs by utilizing technology to enhance library or information services such as through the National Research and Education Network.

"(b) *AWARD BASIS.*—Grants under this section shall be awarded on a competitive basis.

"(c) *AMOUNT.*—

"(1) *IN GENERAL.*—The Secretary shall award grants under this section in an amount which is not less than \$25,000.

"(2) *SPECIAL RULE.*—The Secretary shall award grants pursuant to paragraph (1) of subsection (a) in an amount which is not more than \$50,000 for each institution of higher education.

"(d) *PRIORITY.*—In awarding grants pursuant to paragraph (1) of subsection (a), the Secretary shall give priority to institutions of higher edu-



cation seeking assistance for projects which assist developing institutions of higher education in linking one or more institutions of higher education to resource sharing networks.

"(e) DURATION.—The Secretary shall award grants under this section for a period not to exceed 3 years.

"(f) APPLICATION.—

"(1) IN GENERAL.—Each institution of higher education or consortium thereof desiring a grant under this section shall submit an application to the Secretary at such time, in such manner and accompanied by such information as the Secretary may reasonably require.

"(2) CONTENT.—Each application submitted pursuant to paragraph (1) shall—

"(A) describe the activities and services for which assistance is sought; and

"(B) contain assurances that such institution or consortium thereof in each fiscal year that a grant payment is received under this section shall provide matching funds equal to not less than one-third of the amount of such grant payment from sources other than funds received under this title.

"(3) CRITERIA.—The Secretary shall prescribe criteria for the approval of applications submitted under this section."

#### SEC. 205. LIBRARY EDUCATION, RESEARCH, AND DEVELOPMENT.

(a) AMENDMENT TO HEADING.—The heading for part B of title II of the Act (20 U.S.C. 1031 et seq.) is amended by striking "TRAINING" and inserting "EDUCATION".

(b) GRANTS AUTHORIZED.—Section 221 of the Act (20 U.S.C. 1031) is amended—

(1) by inserting "(a) IN GENERAL.—" before "From"; and

(2) by inserting at the end thereof the following new subsection:

"(b) CONSULTATION.—In awarding grants pursuant to this part, the Secretary shall consult with appropriate library and information science professional organizations to determine critical needs under section 222 and priorities for awarding grants under section 223."

#### SEC. 206. LIBRARY EDUCATION AND HUMAN RESOURCE DEVELOPMENT.

(a) AMENDMENT TO HEADING.—The heading for section 222 of the Act is amended by striking "CAREER TRAINING" and inserting "EDUCATION AND HUMAN RESOURCE DEVELOPMENT".

(b) AMENDMENT TO TEXT.—Subsection (a) of section 222 of the Act (20 U.S.C. 1032(a)) is amended—

(1) in the first sentence thereof, by striking "librarianship" and inserting "library and information science, particularly in areas of critical needs such as recruitment and retention of minorities"; and

(2) in the second sentence thereof—

(A) by striking "training or";

(B) by inserting "or staff development" after "study"; and

(C) by striking "and others undergoing training" and inserting "who demonstrate need and are working toward a graduate degree".

#### SEC. 207. RESEARCH AND DEMONSTRATION.

Section 223 of the Act (20 U.S.C. 1033) is amended—

(1) by inserting "enter into" before "contracts"; and

(2) by striking "training in librarianship" and inserting "education in library and information science, enhancement of library services through effective and efficient use of new technology".

#### SEC. 208. IMPROVING ACCESS TO RESEARCH LIBRARY RESOURCES.

(a) ELIGIBILITY FOR ASSISTANCE.—Section 231 of the Act (20 U.S.C. 1041) is amended—

(1) by striking subsection (b); and

(2) by redesignating subsection (c) as subsection (b).

(b) AMENDMENT TO PART HEADING.—The heading for part C of title II of the Act (20

U.S.C. 1041 et seq.) is amended by striking "strengthening" and inserting "improving access to".

#### SEC. 209. COLLEGE LIBRARY TECHNOLOGY AND COOPERATION GRANTS.

Part D of title II of the Act (20 U.S.C. 1042) is repealed.

### TITLE III—INSTITUTIONAL AID

#### SEC. 301. FINDINGS.

Subsection (a) of section 301 of the Act (20 U.S.C. 1051) is amended—

(1) in paragraph (1), by striking "in this era of declining enrollments and scarce resources" and inserting "serving high percentages of minority students and students from low-income backgrounds";

(2) in paragraph (2), by striking "recruitment activities,"; and

(3) by amending paragraph (5) to read as follows:

"(5) providing assistance to eligible institutions will enhance the role of such institutions in providing access and quality education to low-income and minority students;"

#### SEC. 302. HISPANIC-SERVING INSTITUTIONS.

(a) IN GENERAL.—Part A of title III of the Act (20 U.S.C. 1057 et seq.) is amended—

(1) by redesignating sections 313 and 314 as sections 314 and 315, respectively; and

(2) by inserting after section 313 the following new section:

#### "SEC. 313. HISPANIC-SERVING INSTITUTIONS.

"(a) PROGRAM AUTHORIZED.—The Secretary shall provide grants and related assistance to Hispanic-serving institutions to enable such institutions to improve and expand their capacity to serve Hispanic and other low-income students.

"(b) DEFINITIONS.—For the purpose of this section—

"(1) the term 'Hispanic-serving institution' means an institution of higher education which—

"(A) has a full-time student undergraduate enrollment that is at least 25 percent Hispanic;

"(B) is duly accredited by an agency recognized for that purpose by the Secretary;

"(C) has been so accredited for 3 of its previous 5 years;

"(D) provides a 4-year program leading to a baccalaureate degree or a 2-year program leading to an associate's degree; and

"(E) is a public or nonprofit private institution of higher education; and

"(F)(i) has an enrollment of needy students as described in subsection (c) of section 312; or

"(ii) provides assurances that—

"(I) not less than 50 percent of its Hispanic students be low-income individuals who are first generation college students; and

"(II) another 25 percent of its Hispanic students be either low-income individuals or be first generation college students;

"(2) the term 'first generation college student' means—

"(A) an individual both of whose parents did not complete a baccalaureate degree; or

"(B) in the case of any individual who regularly resided with and received support from only one parent, an individual whose only such parent did not complete a baccalaureate degree; and

"(3) the term 'low-income individual' means an individual from a family whose taxable income for the preceding year did not exceed 150 percent of an amount equal to the poverty level determined by using criteria of poverty established by the Bureau of the Census.

"(c) AUTHORIZED ACTIVITIES.—

"(1) TYPES OF ACTIVITIES AUTHORIZED.—Grants awarded under this section shall be used by Hispanic-serving institutions of higher education to assist such institutions to plan, de-

velop, undertake, and carry out programs in any of the following areas:

"(A) Purchase, rental, or lease of scientific or laboratory equipment for educational purposes, including instructional and research purposes.

"(B) Construction, maintenance, renovation, and improvement in classroom, library, laboratory, and other instructional facilities.

"(C) Faculty salaries and support of faculty exchanges, and faculty development and faculty fellowships to assist in attaining advanced degrees in their field of instruction.

"(D) Curriculum development and academic instruction.

"(E) Purchase of library books, periodicals, microfilm, and other educational materials.

"(F) Funds and administrative management, and acquisition of equipment for use in strengthening funds management.

"(G) Joint use of facilities such as laboratories and libraries.

"(H) Academic tutoring and counseling programs.

"(I) Transfer centers to support the development or expansion of centers designed to increase the transfer rate of underrepresented students from 2-year to 4-year institutions, which may include joint admissions programs, shared advisement programs, and student transfer management information data systems.

"(J) Academic partnership coalitions, including partnerships among colleges, elementary and secondary schools, community-based organizations, parents, and low-income students.

"(K) Collaborative arrangements with non-profit organizations or private sector business entities, in order to carry out the activities described in this subsection.

"(d) APPLICATION PROCESS.—

"(1) INSTITUTIONAL ELIGIBILITY.—Each Hispanic-serving institution desiring to receive assistance under this Act shall submit to the Secretary such enrollment data as may be necessary to demonstrate that it is a Hispanic-serving institution as defined in paragraph (1) of subsection (b), along with such other information and data as the Secretary may by regulation require.

"(2) APPLICATIONS.—Any institution which is determined by the Secretary to be a Hispanic-serving institution (on the basis of the information and data submitted under paragraph (1)) may submit an application for assistance under this section to the Secretary. Such application shall include—

"(A) a 5-year plan for improving the assistance provided by the Hispanic-serving institution to Hispanic and other low-income students at the collegiate and pre-collegiate levels;

"(B) satisfactory evidence that such institution will, if provided with assistance, enter into a collaborative arrangement with at least one local educational agency to provide such agency with assistance in reducing Hispanic dropout rates, improving Hispanic rates of academic achievement, and increasing the rates at which Hispanic high school graduates enroll in higher education; and

"(C) such other information and assurance as the Secretary may require.

"(3) APPROVAL.—The Secretary shall approve any application which meets the requirements of paragraph (1) and shall not disapprove any application submitted under this section, or any modification thereof, without first affording such institution reasonable notice and opportunity for hearing.

"(e) SPECIAL RULE.—For the purposes of this section, no Hispanic-serving college or university which is eligible for and receives funds under this section may concurrently receive other funds under this part or part B."

(b) TECHNICAL AND CONFORMING AMENDMENTS.—Title III of the Act is further amended—

(1) by adding at the end of subsection (b) of section 352 the following new paragraph:

"(4) The Secretary shall waive the requirements set forth in section 312(b)(1)(B) in the case of an institution which qualifies for assistance under section 313." and

(2) by adding at the end of subsection (a) of section 360 the following new paragraph:

"(5) There are authorized to be appropriated to carry out section 313, \$45,000,000 for fiscal year 1993 and such sums as may be necessary for each of the 6 succeeding fiscal years."

#### SEC. 303. DURATION OF GRANTS.

Section 314 of the Act (as redesignated in section 302(a)(2)) is amended—

(1) in subsection (a), by striking "for—" and all that follows through the period at the end thereof and inserting "for 3, 4, or 5 years."; and

(2) by amending subsection (b) to read as follows:

"(b) LIMITATIONS.—In awarding grants under this part the Secretary shall give priority to applicants who are not already receiving a grant under this part."

#### SEC. 304. GRANTS TO INSTITUTIONS.

Section 323 of the Act (20 U.S.C. 1062(a)) is amended—

(1) in subsection (a)—

(A) in paragraph (2), by inserting "including purchase or rental of telecommunications technology equipment or services" after "facilities";

(B) in paragraph (5), by inserting "including telecommunications program materials" after "materials"; and

(C) by inserting at the end thereof the following new paragraph:

"(9) Establishing or improving a development office to strengthen or improve contributions from alumni and the private sector.

"(10) Establishing or enhancing a program of teacher education designed to qualify students to teach in a public elementary or secondary school in the State that shall include, as part of such program, preparation for teacher certification.

"(11) Other activities proposed in the application submitted pursuant to section 325 that—

"(A) contribute to carrying out the purposes of this part; and

"(B) are approved by the Secretary as part of the review and acceptance of such application."; and

(2) in subsection (b), by inserting at the end thereof the following new paragraph:

"(3) The Secretary shall not award a grant under this part for telecommunications technology equipment, facilities or services, if such equipment, facilities or services are available pursuant to section 396(k) of the Communications Act of 1934."

#### SEC. 305. MINIMUM ALLOTMENT.

Paragraph (1) of section 324(d) of the Act (20 U.S.C. 1063(d)(1)) is amended by striking "\$350,000" and inserting "\$500,000".

#### SEC. 306. PROFESSIONAL OR GRADUATE INSTITUTIONS.

Section 326 of the Act (20 U.S.C. 1063b) is amended—

(1) by amending subsection (e) to read as follows:

"(e) ELIGIBILITY.—

"(1) IN GENERAL.—Independent professional or graduate institutions eligible for grants under subsection (a) include—

"(A) Morehouse School of Medicine;

"(B) Meharry Medical School;

"(C) Charles R. Drew Postgraduate Medical School;

"(D) Clark-Atlanta University;

"(E) Tuskegee University School of Veterinary Medicine;

"(F) Xavier University School of Pharmacy;

"(G) Southern University School of Law;

"(H) Texas Southern University School of Law or School of Pharmacy;

"(I) Florida A&M University School of Pharmaceutical Sciences;

"(J) North Carolina Central University School of Law; and

"(K) Any other part B institution offering a professional or doctoral degree program that the Secretary determines is deserving of a grant under this section.

"(2) SPECIAL RULE.—Graduate institutions that were awarded grants prior to October 1, 1992 shall continue to receive such grant payments, regardless of the eligibility of the graduate institutions described in subparagraphs (F) through (K), until such grant period has expired or September 30, 1993, whichever is later.

"(3) LIMITATION.—The Secretary shall not award more than 1 grant under this section in any fiscal year to any institution of higher education or university system."; and

(2) by adding at the end thereof the following new subsection:

"(f) FUNDING RULE.—If the amount of funds appropriated to carry out the provisions of this section does not exceed \$12,000,000, then such amount as does not exceed \$12,000,000 shall be available to make grants in accordance with the provisions of this section to the institutions described in subparagraphs (A) through (E) of subsection (e)(1)."

#### SEC. 307. ESTABLISHMENT OF GRANTS.

(a) REPEAL OF CHALLENGE GRANT PROGRAM.—

(1) REPEAL.—Section 331 of the Act (20 U.S.C. 1064) is repealed.

(2) REDESIGNATION.—Section 332 of the Act (20 U.S.C. 1065) is redesignated as section 331 of the Act.

(b) AMENDMENT TO HEADING.—The heading for part C of title III of the Act (20 U.S.C. 1064 et seq.) is amended by inserting "ENDOWMENT" before "CHALLENGE".

#### SEC. 308. ENDOWMENT CHALLENGE GRANTS.

Section 331 of the Act (20 U.S.C. 1065) (as redesignated in section 307(a)(2)) is amended—

(1) in subsection (a)—

(A) in paragraph (1), by striking "of higher education"; and

(B) in paragraph (2), by inserting at the end thereof the following new subparagraph:

"(D)(i) The term 'eligible institution' means an institution that is an—

"(I) eligible institution under part A or would be considered to be such an institution if section 312(b)(1)(C) referred to a postgraduate degree rather than a bachelor's degree;

"(II) institution eligible for assistance under part B or would be considered to be such an institution if section 324 referred to a postgraduate degree rather than a baccalaureate degree; or

"(III) institution of higher education that makes a substantial contribution to postgraduate medical educational opportunities for minorities and the economically disadvantaged.

"(ii) The Secretary may waive the requirements of subclauses (I) and (II) of clause (i) with respect to a postgraduate degree in the case of any institution otherwise eligible under clause (i) for an endowment challenge grant upon determining that the institution makes a substantial contribution to medical education opportunities for minorities and the economically disadvantaged.";

(2) in subsection (b)—

(A) in paragraph (1), by striking "of higher education";

(B) in paragraph (2)—

(i) by amending subparagraph (B) to read as follows:

"(B) The Secretary may make a grant under this part to an eligible institution under the following circumstances:

"(i) In any fiscal year in which the amount appropriated to carry out this part is less than \$15,000,000, the institution—

"(I) may apply for a grant in an amount not exceeding \$500,000; and

"(II) shall have deposited in its endowment fund established under this section an amount which is equal to one-half of the amount of such grant.

"(ii) In any fiscal year in which the amount appropriated to carry out this part is equal to or greater than \$15,000,000 but less than \$25,000,000, the institution—

"(I) may apply for a grant in an amount not exceeding \$1,000,000; and

"(II) shall have deposited in its endowment fund established under this section an amount which is equal to one-half of the amount of such grant.

"(iii) In any fiscal year in which the amount appropriated to carry out this part is equal to or greater than \$25,000,000, the institution may apply for a grant in an amount not to exceed \$1,500,000 if such institution has deposited in its endowment fund established under this section an amount which is equal to one-half of the amount of such grant."; and

(i) in subparagraph (C)—

(I) by striking "of higher education";

(II) by striking "10" and inserting "5";

(III) by inserting "(i)" after the subparagraph designation; and

(IV) by adding at the end the following new clause:

"(i) The provisions of clause (i) shall not apply to an eligible institution which received a grant under this section in an amount which is less than \$1,000,000."

(C) in paragraph (4)—

(i) by striking subparagraph (A);

(ii) by redesignating subparagraph (B) as subparagraph (A); and

(iii) in subparagraph (A) (as redesignated by clause (ii)) by inserting "endowment" before "challenge"; and

(D) by amending paragraph (5) to read as follows:

"(5) Except as provided in paragraph (2)(B), an endowment challenge grant awarded under this section to an eligible institution shall be in an amount which is not less than \$50,000 in any fiscal year."; and

(3) by amending paragraph (1) of subsection (f) to read as follows:

"(1) give priority to an applicant that has received a grant under part A or part B of this title within the 5 fiscal years preceding the fiscal year in which the applicant is applying for a grant under this section;"

#### SEC. 309. APPLICATION FOR ASSISTANCE.

Paragraph (7) of section 351(b) of the Act (20 U.S.C. 1066(b)(7)) is amended by—

(1) striking subparagraph (D); and

(2) redesignating subparagraphs (E) and (F), as subparagraphs (D) and (E), respectively.

#### SEC. 310. WAIVER AUTHORITY.

Subsection (a) of section 352 of the Act (20 U.S.C. 1067(a)) is amended in the matter preceding paragraph (1) by striking "shall" and inserting "may".

#### SEC. 311. COOPERATIVE ARRANGEMENTS.

Section 354 of the Act (20 U.S.C. 1069) is amended—

(1) in subsection (a), by inserting the following new sentence at the end thereof: "In carrying out the provisions of the previous sentence, institutions shall be permitted to participate in multiple cooperative arrangements as well as formal, established consortia."; and

(2) in subsection (b), by inserting "or consortium" after "arrangement".

#### SEC. 312. REPEALERS.

Sections 355 and 359 of the Act (20 U.S.C. 1069a and 1069e) are each repealed.

#### SEC. 313. ASSISTANCE TO INSTITUTIONS UNDER OTHER PROGRAMS.

Subsection (a) of section 356 of the Act (20 U.S.C. 1069b(a)) is amended by striking "shall" and inserting "may".



**SEC. 314. AUTHORIZATION OF APPROPRIATIONS.**

Section 360 of the Act (20 U.S.C. 1069f) is amended—

(1) in subsection (a)—  
(A) in paragraph (1)—  
(i) by striking "\$120,000,000" and inserting "\$125,000,000";  
(ii) by striking "1987" and inserting "1993"; and

(iii) by striking "4 succeeding" and inserting "6 succeeding";

(B) in paragraph (2)—

(i) in subparagraph (A)—

(I) by striking "\$100,000,000" and inserting "\$125,000,000";

(II) by striking "1987" and inserting "1993"; and

(III) by striking "4 succeeding" and inserting "6 succeeding"; and

(ii) in subparagraph (B)—

(I) by striking "\$5,000,000" and inserting "\$20,000,000";

(II) by striking "1987" and inserting "1993"; and

(III) by striking "4 succeeding" and inserting "6 succeeding"; and

(C) in paragraph (3)—

(i) by striking "\$20,000,000" and inserting "\$40,000,000";

(ii) by striking "1987" and inserting "1993"; and

(iii) by striking "4 succeeding" and inserting "6 succeeding";

(2) by amending subsection (c) to read as follows:

"(c) **RESERVATIONS.**—If the amount appropriated under subsection (a)(1) for part A for any fiscal year beginning after September 30, 1986, equals or exceeds the amount appropriated for such part for fiscal year 1986, then the Secretary shall, for such fiscal year—

"(1) allocate 25 percent of the excess (above the amount appropriated for part A for fiscal year 1986) among eligible institutions with a very high percentage of students who are Black Americans, Hispanic Americans, Native Americans, Asian Americans, Native Hawaiians, or Pacific Islanders, or any combination thereof; and

"(2) allocate 75 percent of such excess among other eligible institutions.";

(3) by adding at the end thereof the following new subsection:

"(e) **ADDITIONAL RESERVATION.**—The Secretary shall award at least 25 percent of the amount appropriated pursuant to the authority of paragraph (3) of subsection (a) in each fiscal year to historically black colleges and universities that meet the requirements of part C."

**TITLE IV—STUDENT ASSISTANCE****SEC. 401. PROGRAM AUTHORITY AND METHOD OF DISTRIBUTION.**

Section 411 of the Act (20 U.S.C. 1070a) is amended—

(1) in paragraph (1) of subsection (a), by inserting "in accordance with subsection (g)" after "pay to each eligible institution";

(2) in subsection (b)—

(A) by amending paragraph (1) to read as follows:

"(1) The purpose of this subpart is to provide a basic grant that as determined under paragraph (2) will meet the cost of attendance as set forth in section 472, but in no event shall such grant amount exceed the amount of the basic grant described in paragraph 2."

(B) in subparagraph (A) of paragraph (2)—

(i) by striking "The amount" and inserting "Except as provided in paragraph (3), the amount";

(ii) by striking clauses (i) through (v) and inserting the following:

"(i) 3,600 for academic year 1993–1994,  
"(ii) 3,800 for academic year 1994–1995,

"(iii) 4,000 for academic year 1995–1996,

"(iv) 4,200 for academic year 1996–1997,

"(v) 4,400 for academic year 1997–1998,

"(vi) 4,600 for academic year 1998–1999,

"(vii) 4,800 for academic year 1999–2000,"; and

(C) in the matter following clause (vii) (as added by clause (ii)), by inserting "(determined in accordance with part F)" after "expected family contribution"; and

(D) by amending paragraph (3) to read as follows:

"(3)(A) Except as provided in subparagraph (B), the amount of a basic grant to which a student is entitled under this subpart in any fiscal year—

"(i) in the case that the maximum basic grant amount allowable pursuant to the appropriate Appropriation Act is less than \$3,600, equals a basic educational allowance of \$2,300 plus a pro rata decrease in the amount the student would have received toward the cost of tuition if such maximum basic grant amount allowable pursuant to the appropriate Appropriation Act had been equal to \$3,600;

"(ii) in the case that the maximum basic grant amount allowable pursuant to the appropriate Appropriation Act is \$3,600, equals a basic allowance of \$2,300, plus 25 percent of the cost of tuition (except that such cost shall not exceed \$1,300);

"(iii) in the case that the maximum basic grant amount allowable pursuant to the appropriate Appropriation Act is greater than \$3,600, equals the sum of—

"(I) a basic education allowance of \$2,300, multiplied by the percentage by which such maximum basic grant amount for the fiscal year exceeds such maximum basic grant amount for the preceding fiscal year plus 100 percent, and

"(II) 25 percent of the cost of tuition; and

"(iv) in the case of an incarcerated student, shall be limited to the amount of tuition and fees assessed by the postsecondary institution for the course of study such student is pursuing and an allowance, as determined by the Secretary pursuant to regulations, for books and supplies associated with such course of study.

"(B) In no event shall the amount of a basic grant be—

"(i) less than \$2,400 minus the expected family contribution; and

"(ii) exceed the amount of the basic grant described in paragraph (2).";

(E) in paragraph (4), by striking "section 411F" and inserting "section 472".

(F) in paragraph (5), by striking "\$200" and inserting "\$400, except that a student who is eligible for a basic grant that is equal to or greater than \$200 but less than \$400 shall be awarded a basic grant of \$400";

(G) by amending paragraph (6) to read as follows:

"(6) No basic grant shall be awarded under this subpart in any fiscal year to any student who is attending on a less than half-time basis unless the expected family contribution for such student for such fiscal year is less than or equal to \$200."; and

(H) by adding at the end the following new paragraphs:

"(8) **EXCEPTION TO THE MAXIMUM PELL GRANT AWARD.**—Notwithstanding any other provision of law, a student may receive 2 Pell grants during a single 12-month period, if the student—

"(A) is enrolled full-time in a program of study that is 3 years or longer at an eligible institution; and

"(B) completes course work toward completion of a bachelor's degree that exceeds the requirements for a full academic year as defined by the institution.

"(9) **STUDY ABROAD.**—Notwithstanding any other provision of this subpart, the Secretary shall allow the amount of the basic grant to be

exceeded for students participating in a program of study abroad approved for credit by the institution when the reasonable costs of such program are greater than the cost of attendance at the student's home institution, except that the amount of such basic grant in any fiscal year shall not exceed the grant level specified in the appropriate Appropriation Act for this subpart for such year. If the preceding sentence applies, the financial aid administrator at the home institution may use the budget of the study abroad program, rather than the home institution's budget, to determine the expected family contribution of the student.

"(10) **INCARCERATED STUDENTS.**—(A) No basic grant shall be awarded to an incarcerated student under this subpart that exceeds the sum of the amount of tuition and fees normally assessed by the institution of higher education for the course of study such student is pursuing plus an allowance (determined in accordance with regulations issued by the Secretary) for books and supplies associated with such course of study, except that no basic grant shall be awarded to any incarcerated student serving under sentence of death or any life sentence without eligibility for parole or release.

"(B) Basic grants under this subpart shall only be awarded to incarcerated individuals in a State if such grants are used to supplement and not supplant the level of postsecondary education assistance provided by such State to incarcerated individuals in fiscal year 1988.";

(3) in subsection (c)—

(A) in subparagraph (A) of paragraph (1)—

(i) in clause (i)—

(I) by striking "5 academic years" and inserting "7 academic years"; and

(II) by striking "4 years or less;" and inserting "5 years;"

(ii) in clause (ii) by striking "more than"; and

(iii) by adding at the end the following new clauses:

"(iii) 4 academic years in the case of an undergraduate or certificate program normally requiring 2 years; or

"(iv) twice the length of time for a program in the case of an undergraduate or certificate program normally requiring less than 2 years to complete;"

(B) in paragraph (2), by adding at the end thereof the following new sentence: "Nothing in this section shall exclude from eligibility programs of study abroad that are approved for credit by the institution.";

(4) by adding at the end of subsection (d) the following new paragraph:

"(3) The Secretary shall make available a common reapplication form and process for students who have received a Pell Grant in the award year prior to the year for which such application is filed."; and

(5) by amending subsection (g) to read as follows:

"(g) **ADJUSTMENTS FOR INSUFFICIENT APPROPRIATIONS.**—

"(1) **FISCAL YEARS 1993 AND 1994.**—(A) If, for fiscal years 1993 and 1994, the funds appropriated for payments under this subpart are insufficient to satisfy fully all entitlements, as calculated under subsection (b), the amount paid with respect to each entitlement shall be—

"(i) the full amount for any student whose expected family contribution is \$400 or less; or

"(ii) a percentage of that entitlement, as determined in accordance with a schedule of reductions established by the Secretary for this purpose, for any student whose expected family contribution is more than \$400.

"(B) Any schedule established by the Secretary for the purpose of subparagraph (A)(ii) of this subsection shall contain a single linear reduction formula in which the percentage reduction increases uniformly as the entitlement de-

creases, and shall provide that if an entitlement is reduced to less than \$200, no payment shall be made.

"(2) **FISCAL YEARS 1995 AND 1996.**—If for fiscal years 1995 and 1996, the funds appropriated for payments under this subpart are insufficient to satisfy fully all entitlements, as calculated under subsection (b) (but at the maximum grant level specified in such appropriation), the Secretary shall, from the next succeeding fiscal year's appropriation for this subpart, expend such sums as may be necessary to meet any such insufficiencies for the preceding fiscal year.

"(3) **FISCAL YEARS 1997, 1998 AND 1999.**—(A) For fiscal years 1997, 1998 and 1999, each institution of higher education which has an agreement with the Secretary under subparagraph (C) of this paragraph—

"(i) shall make awards to its eligible students in the full amount to which such student is entitled under this subpart;

"(ii) shall, except as provided in subparagraph (E), credit the amounts of such awards toward the tuition, fees, room and board, and other expenses incurred by the eligible student; and

"(iii) shall submit vouchers for reimbursement of such awards at such time, in such form, and containing or accompanied by such information as the Secretary may require by regulation.

"(B) The Secretary shall reimburse each institution submitting a voucher under subparagraph (A)(iii) for the full amount of the awards credited by such institution to eligible students as required by subparagraph (A)(ii).

"(C) Each institution desiring to provide grants under this subpart to its eligible students shall enter into an agreement with the Secretary for purposes of this subsection. Such agreement shall—

"(i) specify the conditions with which the institution shall comply to obtain reimbursements under this subsection;

"(ii) specify the obligations of the Secretary with respect to such reimbursements; and

"(iii) contain such additional terms and conditions as the Secretary may require by regulation.

"(D) An institution which—

"(i) has entered into an agreement with the Secretary under subparagraph (C);

"(ii) has awarded grants to eligible students in accordance with this subpart; and

"(iii) credited such awards in accordance with subparagraph (A)(ii) of this subsection shall be deemed to have a contractual right against the United States to receive reimbursement according to the provisions of this subsection. Such reimbursements shall, for purposes of chapter 39 of title 31, United States Code, be considered to be payments made for the acquisition of services by contract with the Department.

"(E) In the case of a student who does not reside in institutionally owned or operated housing and whose basic grant exceeds the amount of the tuition and fees owed by that student, the institution shall pay such excess to such student in accordance with procedures as may be prescribed by the Secretary. For purposes of subparagraph (D)(iii), any amounts so paid shall be treated as amounts credited in accordance with subparagraph (A)(ii), and may be used by such student to cover room, board, transportation, child care, books, and other costs of attendance."

#### SEC. 402. REPEALERS.

Sections 411A, 411B, 411C, 411D, 411E and 411F of the Act (20 U.S.C. 1070a-1 through 1070a-6) are each repealed.

#### SEC. 403. AUTHORIZATION OF APPROPRIATIONS.

Subsection (b) of section 413A of the Act (20 U.S.C. 1070b-1) is amended—

(1) by striking "\$490,000,000" and inserting "\$650,000,000";

(2) by striking "1987" and inserting "1993"; and

(3) by striking "4 succeeding" and inserting "6 succeeding".

#### SEC. 404. AMOUNT AND DURATION OF GRANTS.

Section 413B of the Act (20 U.S.C. 1070b-1) is amended—

(1) in subsection (a)—

(A) in paragraph (1)—

(i) by striking "From" and inserting "Except as provided in paragraph (3), from"; and

(ii) in subparagraph (A), by inserting "or in a program of study abroad that is approved for credit by the institution" after "course of study at the institution"; and

(B) by inserting after paragraph (2) the following new paragraph:

"(3) For students participating in study abroad programs, the institution shall consider all reasonable costs associated with such study abroad when determining student eligibility. The amount of grant to be awarded in such cases may exceed the maximum amount of \$4,000 by as much as \$400 if reasonable study abroad costs exceed the cost of attendance at the home institution by more than 20 percent."; and

(2) in paragraph (1) of subsection (b), by inserting ", and the first academic year of the first postbaccalaureate degree or the first year of graduate study (if the financial aid officer determines that the student has exceptional needs comparable to undergraduate students receiving such grants)," before "being pursued".

#### SEC. 405. AGREEMENTS WITH INSTITUTIONS; SELECTION OF RECIPIENTS.

Section 413C of the Act (20 U.S.C. 1070b-2) is amended—

(1) by amending paragraph (2) of subsection (a) to read as follows:

"(2) agrees that the Federal share of awards under this subpart will not exceed 75 percent of such awards, except that the Federal share may exceed such percentage if the Secretary determines that the non-Federal share would cause financial hardship at an eligible institution and that such institution serves a large number or percentage of low-income and minority students.";

(2) in subparagraph (A) of subsection (c)(2)—

(A) in clause (i), by striking the "and" after the comma;

(B) in clause (ii), by striking the period at the end thereof and inserting a comma; and

(C) by adding at the end the following new clauses:

"(iii) will, notwithstanding any other provision of this part, award supplemental grants to Pell grant recipients in an amount which is proportionate to the amount of the Pell grant received by such recipient in the academic year for which the determination is made, and

"(iv) will determine awards for supplemental grants without regard to the determination of a minimum student contribution, self-help amount or eligibility for assistance under other parts of this title except subpart 1 of part A."; and

(3) in subsection (d), by inserting "except that if the total financial need of all such students attending the institution exceeds 5 percent of such institution's allotment, then at least 5 percent of such allotment shall be made available to such students" before the period at the end thereof.

#### SEC. 406. ALLOCATION OF FUNDS.

Section 413D of the Act (20 U.S.C. 1070b-3) is amended—

(1) in subsection (a), by adding at the end the following new paragraph:

"(4)(A) Notwithstanding any other provision of this section, the Secretary may allocate an amount equal to not more than 10 percent of the amount by which the amount appropriated in any fiscal year to carry out this part exceeds \$700,000,000 among eligible institutions described in subparagraph (B).

"(B) In order to receive an allocation pursuant to subparagraph (A) an institution shall be an eligible institution from which 50 percent or more of the Pell Grant recipients attending such eligible institution graduate or transfer to a 4-year institution of higher education."; and

(2) in subparagraph (A) of subsection (d)(2), by inserting "subdivided by full-time and part-time status" before the semicolon.

#### SEC. 407. GRANTS TO STATES FOR STATE STUDENT INCENTIVES.

Section 415A of the Act (20 U.S.C. 1070c) is amended—

(1) by amending subsection (a) to read as follows:

"(a) **PURPOSE OF SUBPART.**—It is the purpose of this subpart to—

"(1) make incentive grants available to States to assist States in providing grants to—

"(A) eligible students attending institutions of higher education or participating in programs of study abroad that are approved for credit by such institutions; and

"(B) eligible students for campus-based community service work learning study; and

"(2) make allotments to States to enable States to conduct early intervention programs described in section 415F."; and

(2) in subsection (b)—

(A) by striking "1987" and inserting "1993"; and

(B) by striking "4 succeeding" and inserting "6 succeeding".

#### SEC. 408. APPLICATIONS FOR STATE STUDENT INCENTIVE GRANT PROGRAM.

Subsection (b) of section 415C of the Act (20 U.S.C. 1070c-2(b)) is amended—

(1) in paragraph (2), by striking "\$2,500" and inserting "\$4,000"; and

(2) in paragraph (4), by inserting "except that for the purpose of collecting data to make such determination of financial need, no student or parent shall be charged a fee that is payable to an entity other than such State" before the semicolon.

#### SEC. 409. EARLY INTERVENTION PROGRAM.

Subpart 3 of part A of title IV of the Higher Education Act of 1965 (20 U.S.C. 1070c et seq.) is amended by adding at the end thereof the following new section:

##### "SEC. 415F. EARLY INTERVENTION PROGRAM.

"(a) **STATEMENT OF PURPOSE.**—It is the purpose of this section to make incentive grants to States to enable States to conduct early intervention programs that—

"(1) raise the awareness of eligible students about the advantages of obtaining a postsecondary education;

"(2) provide academic support and personal mentoring for prospective postsecondary students; and

"(3) provide eligible students with tuition assistance.

"(b) **EARLY INTERVENTION PROGRAM ESTABLISHED.**—

"(1) **PROGRAM ESTABLISHED.**—From amounts appropriated pursuant to the authority of subsection (f), the Secretary shall make allotments to States in accordance with paragraph (2) to pay the Federal share of the costs of the activities and services described in the plan submitted pursuant to subsection (d).

"(2) **ALLOTMENT.**—Except as provided in paragraph 3, for any fiscal year, the Secretary shall allot to each State an amount which bears the same ratio to the amount appropriated pursuant to subsection (f) as the number of eligible students in such State bears to the total number of eligible students in all the States.

"(3) **MINIMUM ALLOTMENT.**—No State shall receive an allotment under paragraph (2) in any fiscal year which is less than \$500,000.

"(4) **REALLOTMENT.**—The amount of any State's allotment under paragraph (2) or (3) for



any fiscal year which the Secretary determines will not be required for such fiscal year for the early intervention program of that State shall be available for reallocation from time to time, on such dates during such year as the Secretary may fix, to other States in proportion to the original allotments to such States under such paragraphs for such year, but with such proportionate amount for any of such States being reduced to the extent such amount exceeds the sum the Secretary estimates such State needs and will be able to use in such year for carrying out the activities and services described in the State plan. The total of such reductions shall be similarly reallocated among the States whose proportionate amounts were not so reduced. Any amount reallocated to a State under this paragraph during a year from funds appropriated pursuant to subsection (g) shall be deemed part of its allotment under such paragraphs for such year.

"(5) ALLOTMENT SUBJECT TO CONTINUING COMPLIANCE.—The Secretary shall make payments for early intervention programs only to States which continue to meet the requirements of subsection (c).

"(6) DEFINITIONS.—For the purpose of this section—

"(A) the term 'eligible institution' has the same meaning provided such term in section 435(a);

"(B) the term 'eligible student' shall include students eligible—

"(i) to be counted under section 1005(c) of the Elementary and Secondary Education Act of 1965;

"(ii) for assistance pursuant to the National School Lunch Act; or

"(iii) for assistance pursuant to part A of title IV of the Social Security Act (Aid to Families with Dependent Children); and

"(C) term 'tuition assistance' includes the costs of tuition, room and board, books, and required fees, if any.

"(c) USE OF ALLOTMENTS.—

"(1) IN GENERAL.—A State shall use payments received under this section to conduct an early intervention program that—

"(A) provides eligible students in any of the grades pre-school through 12 with a continuing system of mentoring and advising that—

"(i) is coordinated with the Federal and State community service initiatives;

"(ii) may include such support services as after school and summer tutoring, assistance in obtaining summer jobs, career mentoring and academic counseling; and

"(iii) may be provided by service providers such as community-based organizations, schools, eligible institutions, and public and private agencies, particularly institutions and agencies sponsoring programs authorized under subpart 4 of this part;

"(B) requires each student to enter into an agreement with the State under which the student agrees to achieve certain academic milestones, such as completing a prescribed set of courses and maintaining satisfactory academic progress as described in section 484(c), in exchange for receiving tuition assistance for a period of time to be established by each State;

"(C) establishes a plan for tuition assistance described in subparagraph (B) which may include contributions from Federal, State and private sources;

"(D) contains an incentive system to encourage greater collaboration between elementary and secondary schools, institutions of higher education, and any programs assisted under sections 417B and 417C in the State, through the creation of new linkage structures and programs;

"(E) provides financial aid counseling, including information on the opportunities for financial assistance pursuant to this title; and

"(F) contains an evaluation component that allows service providers to track eligible student progress during the period such students are participating in the program assisted under this section and which is consistent with the standards developed by the Secretary pursuant to paragraph (4).

"(2) ADDITIONAL REQUIREMENTS.—In carrying out the provisions of subparagraph (B) of paragraph (1), a State may include in the agreement such other requirements as the State determines necessary to meet the purposes of this section.

"(3) TUITION ASSISTANCE.—(A) In order to receive an allotment under this section each State shall ensure that tuition assistance provided pursuant to the provisions of paragraph (1)(B) is available to an eligible student for use at any eligible institution.

"(B) A State may consider students who have successfully participated in programs funded under subpart 4 of this part to have met the requirements of subsection (c)(1) (A) and (B).

"(C) Notwithstanding any other provision of law, tuition assistance provided under this section shall not be considered for the purpose of awarding Federal student financial aid.

"(4) EVALUATION STANDARDS.—The Secretary shall prescribe standards for the evaluation described in paragraph (1)(E). Such standards shall—

"(A) provide for input from States and service providers; and

"(B) ensure that data protocols and procedures are consistent and uniform.

"(d) STATE PLAN.—

"(1) IN GENERAL.—Each State desiring an allotment under this section shall submit a State plan to the Secretary at such time, in such manner, and accompanied by such information as the Secretary may reasonably require.

"(2) CONTENTS.—Each State plan submitted pursuant to paragraph (1) shall—

"(A) describe the activities for which assistance under this section is sought; and

"(B) provide such additional assurances as the Secretary determines necessary to ensure compliance with the requirements of this section.

"(3) APPROVAL.—The Secretary shall approve a State plan submitted pursuant to paragraph (1) within 6 months of receipt of the plan unless the plan fails to comply with the provisions of this section.

"(e) EVALUATION AND REPORT.—

"(1) EVALUATION.—Each State receiving an allotment under this section shall annually evaluate the early intervention program assisted under this section in accordance with the standards described in subsection (c)(4) and shall submit to the Secretary a copy of such evaluation.

"(2) REPORT.—The Secretary shall annually report to the Congress on the activities assisted under this section and the evaluations conducted pursuant to paragraph (1).

"(f) AUTHORIZATION OF APPROPRIATIONS.—

"(1) IN GENERAL.—There are authorized to be appropriated \$100,000,000 for fiscal year 1993 and such sums as may be necessary for the 6 succeeding fiscal years to carry out the provisions of this section.

"(2) SPECIAL RULE.—No funds are authorized to be appropriated pursuant to the authority of paragraph (1) in any fiscal year unless the amount appropriated pursuant to the authority of section 415A to carry out this subpart equals or exceeds \$63,500,000 in such fiscal year."

#### SEC. 410. SPECIAL PROGRAMS FOR STUDENTS FROM DISADVANTAGED BACKGROUNDS.

Section 417A of the Act (20 U.S.C. 1070d) is amended—

(1) in subsection (a), by inserting "to motivate and prepare such students for doctoral programs," after "pursuing programs of postsecondary education,";

(2) in subsection (b)—

(A) in paragraph (1), by inserting "combinations of such institutions, agencies or organizations," after "private agencies and organizations,";

(B) by adding at the end the following new paragraph:

"(3) Beginning in fiscal year 1993, if the amount appropriated to carry out this subpart in any fiscal year exceeds the amount appropriated to carry out this subpart in fiscal year 1992, then in awarding grants or contracts under this subpart with such excess, the Secretary shall give special consideration to applicants proposing programs that serve geographic areas or eligible populations which have been underserved by the programs assisted under this subpart.";

(3) in subsection (c)—

(A) by striking "\$205,000,000" and inserting "\$450,000,000";

(B) by striking "1987" and inserting "1993"; and

(C) by striking "4 succeeding" and inserting "6 succeeding";

(4) by inserting at the end the following new subsections:

"(e) OUTREACH.—

"(1) IN GENERAL.—The Secretary shall conduct outreach activities to ensure that entities eligible for assistance under this subpart submit applications proposing programs that serve geographic areas and eligible populations which have been underserved by the programs assisted under this subpart.

"(2) NOTICE AND ASSISTANCE.—In carrying out the provisions of paragraph (1), the Secretary shall—

"(A) notify the entities described in subsection (b) of the availability of assistance under this subsection not less than 120 days prior to the deadline for submission of applications under this subpart; and

"(B) provide assistance in the development of applications and programs assisted under this subpart.

"(3) SPECIAL RULE.—The Secretary may contract with eligible entities to conduct the outreach activities described in this subsection.

"(f) APPLICATION REVIEW PROCESS.—

"(1) IN GENERAL.—To the extent practicable, the Secretary shall ensure that readers of applications submitted under this subpart represent diverse backgrounds reflecting the populations served by programs assisted by this subpart.

"(2) SPECIAL RULE.—The Secretary shall ensure that each application submitted under this subpart is read by at least 3 reviewers not employed by the Department of Education.

"(g) DOCUMENTATION OF STATUS AS A LOW-INCOME INDIVIDUAL.—Documentation of an individual's status pursuant to subsection (d)(2) shall be made—

"(1) in the case of an individual who is eighteen years of age or younger or a dependent student by providing the Secretary with a signed statement from the parent or legal guardian, verification from another governmental source, a signed financial aid application, a signed United States or Puerto Rican income tax return, or any other documentation the Secretary deems appropriate that documents that the individual is a low-income individual for purposes of this subpart; and

"(2) in the case of an individual who is age 18 or older or who is an independent student, by providing the Secretary with a signed statement from the individual, verification from another governmental source, a signed financial aid form, a signed United States or Puerto Rican income tax return, or any other documentation the Secretary deems appropriate that documents that a student is a low-income individual for purposes of this subpart.

**"(h) SPECIAL RULES.—**

**"(1) PEER REVIEW PROCESS.—**The Secretary shall award grants and contracts under this subpart in the order of the scores received by the application for such grant or contract in the peer review process required under section 1210 and adjusted for prior experience in accordance with subsection (b)(2).

**"(2) DURATION.—**Grants or contracts made under this subpart shall be awarded for a period of 4 years, except that the Secretary may award such grants or contracts for not more than 5 years to support programs the Secretary considers exceptional.

**"(3) APPLICATION STATUS.—**The Secretary shall inform each entity operating programs under this subpart regarding the status of their application for continued funding at least 10 months prior to the expiration of the grant or contract. The Secretary, in the case of an entity that is continuing to operate a successful program under this subpart, shall ensure that the startup date for a new grant or contract for such program immediately follows the termination of preceding grant or contract so that no interruption of funding occurs for such successful reapplicants. The Secretary shall inform each entity requesting assistance under this subpart for a new program regarding the status of their application at least 10 months prior to the proposed startup date of such program.

**"(4) NUMBER OF APPLICATIONS FOR GRANTS AND CONTRACTS.—**The Secretary shall not limit the number of applications submitted by an entity under any program authorized under this subpart if the additional applications describe programs serving different populations or campuses.

**"(5) COORDINATION WITH OTHER PROGRAMS FOR DISADVANTAGED STUDENTS.—**The Secretary shall encourage coordination of programs assisted under this subpart with other programs for disadvantaged students operated by the sponsoring institution or agency, regardless of the funding source of such programs. The Secretary shall not limit an entity's eligibility to receive funds under this subpart because such entity sponsors a program similar to the program to be assisted under this subpart, regardless of the funding source of such program. The Secretary shall not require a separate Director to administer a program funded under this subpart if the imposition of such requirement will hinder coordination among programs funded under this subpart or between programs funded under this subpart and similar programs funded through other sources."

**SEC. 411. TALENT SEARCH.**

Section 417B of the Act (20 U.S.C. 1070d-1) is amended—

(1) by amending subsection (b) to read as follows:

**"(b) PERMISSIBLE SERVICES.—**Any talent search project assisted under this subpart may provide services such as—

**"(1)** academic advice and assistance in secondary school and college course selection;

**"(2)** assistance in completing college admission and financial aid applications;

**"(3)** assistance in preparing for college entrance examinations;

**"(4)** guidance on high school reentry or entry into a general equivalency diploma program (GED) or other alternative education programs for high school dropouts;

**"(5)** personal counseling;

**"(6)** tutorial services;

**"(7)** career counseling;

**"(8)** exposure to college campuses as well as cultural events, academic programs and other sites or activities not usually available to disadvantaged youth;

**"(9)** mentoring programs involving either elementary or secondary school teachers, faculty

members at institutions of higher education, students, or any combination of such persons; and

**"(10)** workshops and counseling for parents of students served."; and

(2) by amending paragraph (2) of subsection (c) to read as follows:

**"(2)** require that such participants be persons who have completed 5 years of elementary education or are at least 11 years of age but not more than 27 years of age, unless the imposition of any such limitation with respect to any person will defeat the purposes of this section or the purposes of section 417E;".

**SEC. 412. UPWARD BOUND.**

Section 417C of the Act (20 U.S.C. 1070d-1a) is amended—

(1) in subsection (b)—

(A) in paragraph (8), by striking "and" after the semicolon;

(B) by redesignating paragraph (9) as paragraph (10);

(C) by inserting after paragraph (8) the following new paragraph:

**"(9)** mentoring programs involving elementary or secondary school teachers, faculty members at institutions of higher education, students, or any combination of such persons; and"; and

(D) in paragraph (10) (as redesignated in subparagraph (B)), by striking "(8)" and inserting "(9)";

(2) by redesignating subsections (c) and (d) as subsections (d) and (e), respectively; and

(3) by inserting after subsection (b) the following new subsection:

**"(c) SPECIAL REQUIRED SERVICES.—**Any upward bound project assisted which has received funding under this subpart for 2 or more years shall include as part of the core curriculum in the next and succeeding years—

**"(1)** instruction in mathematics through precalculus;

**"(2)** a minimum of 1 laboratory science;

**"(3)** a minimum of 1 foreign language; and

**"(4)** instruction in composition and literature."

**SEC. 413. STUDENT SUPPORT SERVICES.**

Section 417D of the Act (20 U.S.C. 1070d-1b) is amended—

(1) in subsection (a), by striking the period at the end thereof and inserting the following: "that shall be designed to—

**"(1)** increase college retention and graduation rates for students;

**"(2)** increase the transfer rates of students from 2-year to 4-year institutions; and

**"(3)** foster an institutional climate supportive of the success of low-income, first-generation and physically handicapped students.";

(2) in subsection (b)—

(A) in paragraph (8), by striking "and" after the semicolon;

(B) by redesignating paragraph (9) as paragraph (10);

(C) by inserting after paragraph (8) the following new paragraph:

**"(9)** mentoring programs involving faculty or upper class students, or a combination thereof; and"; and

(D) in paragraph (10) (as redesignated in subparagraph (B)) by striking "(8)" and inserting "(9)";

(3) in paragraph (5) of subsection (c), by striking "receive" and inserting "be offered"; and

(4) by striking subsection (d).

**SEC. 414. EDUCATIONAL OPPORTUNITY CENTERS.**

Subsection (b) of section 417E is amended to read as follows:

**"(b) PERMISSIBLE SERVICES.—**An educational opportunity center assisted under this subpart may provide services such as—

**"(1)** public information campaigns designed to inform the community regarding opportunities for postsecondary education and training;

**"(2)** academic advice and assistance in course selection;

**"(3)** assistance in completing college admission and financial aid applications;

**"(4)** assistance in preparing for college entrance examinations;

**"(5)** guidance on high school reentry or entry into a general equivalency diploma (GED) program or other alternative education programs for high school dropouts;

**"(6)** personal counseling;

**"(7)** tutorial services; and

**"(8)** career workshops and counseling.".

**SEC. 415. STAFF DEVELOPMENT ACTIVITIES.**

Section 417F of the Act (20 U.S.C. 1070d-1d) is amended by inserting after the second sentence the following new sentence: "Such training shall be offered annually for new directors of projects assisted under this subpart as well as annually on the following topics and other topics chosen by the Secretary:

**"(1)** Legislative and regulatory requirements for the operation of programs assisted under this subpart.

**"(2)** Assisting students in receiving adequate financial aid from programs assisted under this title and other programs.

**"(3)** The design and operation of model programs for projects assisted under this subpart."

**SEC. 416. EVALUATION FOR PROGRAM IMPROVEMENT.**

Subpart 4 of part A of title IV of the Act (20 U.S.C. 1070d et seq.) is amended by adding at the end the following new sections:

**"SEC. 417G. POSTBACCALAUREATE ACHIEVEMENT PROGRAM AUTHORITY.**

**"(a) PROGRAM AUTHORITY.—**

**"(1) IN GENERAL.—**The Secretary shall carry out a program to be known as the 'Ronald E. McNair Postbaccalaureate Achievement Program' which shall be designed to motivate and prepare promising undergraduate students for doctoral study.

**"(2) SPECIAL RULE.—**The Secretary shall ensure that a significant number of projects assisted under this subsection provide students with summer research internships.

**"(b) PERMISSIBLE SERVICES.—**A postbaccalaureate achievement project assisted under this section may provide services such as—

**"(1)** opportunities for research or other scholarly activities at the institution or at graduate centers designed to provide students with effective preparation for doctoral study;

**"(2)** summer internships;

**"(3)** seminars and other educational activities designed to prepare students for doctoral study;

**"(4)** tutoring;

**"(5)** academic counseling; and

**"(6)** activities designed to assist students participating in the project in securing admission to and financial assistance for enrollment in graduate programs.

**"(c) REQUIREMENTS FOR APPROVAL OF APPLICATIONS.—**In approving applications for postbaccalaureate achievement projects assisted under this section for any fiscal year, the Secretary shall require—

**"(1)** an assurance that not less than one-half of the individuals participating in the project proposed to be carried out under any application be low-income individuals who are first-generation college students;

**"(2)** an assurance that the remaining persons participating in the project proposed to be carried out be from a group that is underrepresented in graduate education;

**"(3)** an assurance that participants be enrolled in a degree program at an eligible institution in accordance with the provisions of section 487;

**"(4)** an assurance that participants in summer research internships have completed their sophomore year in postsecondary education; and

**"(5)** an assurance that summer internships, seminars and research activities assisted under



this subpart are jointly developed, implemented and administered with the dean or other designated official of a related or cooperating graduate school, college or institution.

"(d) **SELECTION CRITERIA.**—In addition to such other selection criteria as the Secretary may prescribe by regulations, the Secretary, in making awards to institutions under this subsection, shall consider—

"(1) the quality of research and other scholarly activities in which students will be involved;

"(2) the level of faculty involvement in the project and the description of the research in which students will be involved; and

"(3) the institution's plan for identifying and recruiting participants including students enrolled in projects authorized under this subsection.

"(e) **MAXIMUM STIPENDS.**—Students participating in research under a postbaccalaureate achievement project may receive stipends not to exceed \$2,400 per annum.

"(f) **FUNDING.**—From amounts appropriated pursuant to the authority of section 417A(c), the Secretary shall allocate funds for projects authorized by this section in an amount which is not less than \$11,000,000 for each of the fiscal years 1993 through 1999.

**"SEC. 417H. EVALUATION FOR PROJECT IMPROVEMENT.**

"(a) **IN GENERAL.**—For the purpose of improving the operation of the programs and projects assisted under this subpart, the Secretary is authorized to make grants to and enter into contracts with institutions of higher education and other public and private institutions and organizations to evaluate the effectiveness of the various programs assisted under this subpart in meeting the purposes described in this subpart.

"(b) **CONTENT.**—The evaluations described in subsection (a) shall identify institutional, community and program practices particularly effective in increasing the access of low-income individuals and first-generation college students to postsecondary education, the preparation of such individuals and students for postsecondary education, and such individuals' and students' success in postsecondary education.

"(c) **RESULTS.**—In order to improve program effectiveness, the results of the ongoing evaluations described in subsection (a) shall be disseminated by the Secretary to similar programs assisted under this subpart as well as other individuals concerned with the postsecondary access and retention of low-income individuals and first-generation college students."

**SEC. 417. SPECIAL PROGRAMS FOR STUDENTS WHOSE FAMILIES ARE ENGAGED IN MIGRANT AND SEASONAL FARMWORK.**

Section 418A of the Act (20 U.S.C. 1070d-2) is amended—

(1) in subsection (b)—

(A) in paragraph (1), by striking out "17 years of age and over," and inserting "16 years of age and older, or are beyond the age of compulsory school attendance in the State in which such persons reside and are not enrolled in school,"; and

(B) in paragraph (4)—

(i) by inserting a comma after "concerning"; and

(ii) by inserting a comma after "obtaining";

(2) in subsection (c)—

(A) in the matter preceding paragraph (1), by inserting "except as provided in paragraph (2), are limited to services that are necessary to assist migrant students in completing their first year of college, and" before "include";

(B) by amending paragraph (1) to read as follows:

"(1) outreach and recruitment services to reach persons who themselves or whose parents

have spent a minimum of 75 days during the past 24 months in migrant and seasonal farmwork or who have participated in programs under section 1201 of the Elementary and Secondary Education Act of 1965 or section 402 of the Job Training Partnership Act, and who meet the minimum qualifications for attendance at a college or university;"

(C) in paragraph (2), by redesignating subparagraphs (A) through (E) as clauses (i) through (v), respectively;

(D) in paragraph (3), by redesignating subparagraphs (A) through (H) as clauses (i) through (viii), respectively;

(E) by redesignating paragraphs (1) through (6) (as amended in subparagraphs (B), (C) and (D)) as subparagraphs (A) through (F), respectively;

(F) by inserting the paragraph designation "(1)" after the subsection heading; and

(G) by adding at the end thereof the following new paragraph:

"(2) A recipient of a grant to operate a college assistance migrant program under this subpart shall provide followup services for migrant students after such students have completed their first year of college, and shall not use more than 10 percent of such grant for such followup services. Such followup services may include—

"(A) monitoring and reporting the academic progress of students who participated in the project during such student's first year of college and during such student's subsequent years in college; and

"(B) referring such students to on- or off-campus providers of counseling services, academic assistance, or financial aid."

(3) in the heading for subsection (e), by striking "Three" and inserting "Five";

(4) in subsection (e), by striking "3-year" and inserting "5-year"; and

(5) in subsection (g)—

(A) in paragraph (1)—

(i) by striking "\$7,000,000" and inserting "\$15,000,000"; and

(ii) by striking "1987" and inserting "1993"; and

(B) in paragraph (2)—

(i) by striking "\$2,000,000" and inserting "\$5,000,000"; and

(ii) by striking "1987" and inserting "1993".

**SEC. 418. ALLOCATION AMONG STATES.**

Section 419D of the Act (20 U.S.C. 1070d-34) is amended to read as follows:

**"SEC. 419D. ALLOCATION AMONG STATES.**

"(a) **ALLOCATION FORMULA.**—From the sums appropriated pursuant to the authority of section 419K for any fiscal year, the Secretary shall allocate to each State that has an agreement under section 419E an amount equal to \$1,500 multiplied by the number of scholarships determined by the Secretary to be available to such State in accordance with subsection (b).

"(b) **NUMBER OF SCHOLARSHIPS AVAILABLE.**—The number of scholarships to be made available in a State for any fiscal year shall bear the same ratio to the number of scholarships made available to all States as the State's population ages 5 through 17 bears to the population ages 5 through 17 in all the States, except that not less than 10 scholarships shall be made available to any State.

"(c) **USE OF CENSUS DATA.**—For the purpose of this section, the population ages 5 through 17 in a State and in all the States shall be determined by the most recently available data, satisfactory to the Secretary, from the United States Bureau of the Census."

**SEC. 419. SELECTION OF SCHOLARSHIPS.**

Section 419G of the Act (20 U.S.C. 1070d-37) is amended—

(1) by amending subsection (b) to read as follows:

"(b) **ADOPTION OF PROCEDURES.**—The State educational agency shall adopt selection procedures

designed to ensure an equitable geographic distribution of awards within the State."; and

(2) by adding at the end the following new subsection:

"(d) **TIMING OF SELECTION.**—The selection process shall be completed, and the awards made, prior to the end of each secondary school academic year."

**SEC. 420. AWARDS CEREMONY.**

(a) **REPEAL.**—Section 419I of the Act (20 U.S.C. 1070d-39) is repealed.

(b) **CONFORMING AMENDMENTS.**—Section 419E of the Act (20 U.S.C. 1070d-35) is amended—

(1) in paragraph (3) by inserting "and" after the semicolon;

(2) in paragraph (4) by striking "at an awards ceremony in accordance with section 419I; and" and inserting a period; and

(3) by striking paragraph (5).

**SEC. 421. AUTHORIZATION OF APPROPRIATIONS.**

Section 419K of the Act (20 U.S.C. 1070d-41) is amended—

(1) by striking "\$8,000,000" and inserting "\$10,000,000";

(2) by striking "1987" and inserting "1993"; and

(3) by striking "4 succeeding" and inserting "6 succeeding".

**SEC. 422. PAYMENTS TO INSTITUTIONS OF HIGHER EDUCATION.**

Section 420 of the Act (20 U.S.C. 1070e) is repealed.

**SEC. 423. VETERANS EDUCATION OUTREACH PROGRAM.**

Subsection (a) of section 420A of the Act (20 U.S.C. 1070f(a)) is amended by striking "1987" and inserting "1993".

**SEC. 424. ACCESS SCHOLARSHIPS.**

Subpart 8 of part A of title IV of the Act (20 U.S.C. 1070f) is amended to read as follows:

**"Subpart 8—Access Scholarships**

**"SEC. 420B. PURPOSE.**

"It is the purpose of this subpart to award scholarships to encourage students to finish secondary school and obtain a college education, and to upgrade the course of study completed by our Nation's secondary school graduates.

**"SEC. 420C. AUTHORIZATION OF APPROPRIATIONS.**

"There are authorized to be appropriated \$100,000,000 for fiscal year 1995 and such sums as may be necessary for each of the 4 succeeding fiscal years to carry out the provisions of this subpart, except that no amount is authorized to be appropriated to carry out the provisions of this subpart unless the amount appropriated in any fiscal year to carry out this part equals or exceeds the amount appropriated to carry out this part in the preceding fiscal year.

**"SEC. 420D. SCHOLARSHIP PROGRAM.**

"(a) **IN GENERAL.**—The Secretary is authorized to award scholarships to eligible students in accordance with the provisions of this subpart.

"(b) **PERIOD OF AWARD.**—Scholarships under this subpart shall be awarded for a period of 2 academic years.

"(c) **USE AT ANY INSTITUTION PERMITTED.**—An eligible student awarded a scholarship under this subpart may use such scholarship stipend to attend any institution of higher education (as such term is defined in section 481(a)).

**"SEC. 420E. STUDENT ELIGIBILITY.**

"(a) **STUDENT ELIGIBILITY.**—For the purpose of this subpart the term 'eligible student' means an individual who—

"(1) has participated in an early intervention program assisted under section 415F or subpart 4;

"(2) is a graduate of a public or private secondary school or has the equivalent certificate of graduation as recognized by the State in which the eligible student resides;

"(3) not later than 3 years after such individual graduates or obtains an equivalent certificate, has been admitted for enrollment or is enrolled at an institution of higher education;

"(4) is eligible to receive a Pell Grant for the year in which the scholarship is awarded; and

"(5) has demonstrated academic achievement and preparation for postsecondary education by taking college preparatory level coursework in the following areas while in secondary school or the equivalent:

- "(A) 4 years of English;
- "(B) 3 years of science;
- "(C) 3 years of mathematics;
- "(D) either—
- "(i) 3 years of history; or
- "(ii) 2 years of history and 1 year of social studies; and
- "(E) either—
- "(i) 2 years of a foreign language; or
- "(ii) 1 year of computer science and 1 year of a foreign language.

"(b) **LIMITATION.**—For the purpose of this subpart the term 'eligible student' does not include an individual who has been awarded an associate or baccalaureate degree.

"(c) **WAIVERS.**—

"(1) **EARLY INTERVENTION PROGRAM PARTICIPATION.**—The Secretary may waive the requirement described in paragraph (1) of subsection (a) in the first 3 academic years that scholarships are awarded under this subpart for any student who was unable to participate in an early intervention program assisted under section 415F or subpart 4 because such program was not available in the area in which such student resides.

"(2) **LIMITED-ENGLISH PROFICIENT STUDENTS.**—The Secretary may waive the requirement described in subparagraph (E) of paragraph (5) for any limited-English proficient student who is fluent in a language other than English and is participating in a program to teach such student the English language.

#### "SEC. 420F. EARLY INTERVENTION SCHOLARSHIP AGREEMENT.

"(a) **IN GENERAL.**—In order for a student to receive a scholarship under this subpart, the State educational agency serving the State in which such child resides shall have entered into an agreement with the Secretary.

"(b) **CONTENTS.**—Each agreement described in subsection (a) shall include provisions designed to ensure that—

"(1) all secondary school students in the State have equal and easy access to the coursework described in section 420E(a)(5);

"(2) the State educational agency has procedures in place to verify to the Secretary that students receiving a scholarship under this subpart have taken such coursework and that such coursework has been of a college preparatory level, including a requirement that all secondary schools in the State issue a certificate to each eligible student certifying that such student has completed the necessary coursework to qualify for a scholarship under this subpart;

"(3) the State educational agency has procedures in place to notify institutions of higher education of the availability of scholarships under this subpart, so that such institutions may award additional scholarships in concert with the scholarships received under this subpart; and

"(4) the State educational agency has procedures in place to inform junior high school students and their families about the value of postsecondary education, the availability of student aid to meet college expenses, and the availability of scholarships under this subpart for students who take demanding courses, with particular emphasis on activities designed to ensure that students from low- and moderate-income families have access to such information.

"(c) **SPECIAL RULE.**—The Secretary may allow a State to receive assistance under this subpart for students whose secondary schools do not offer the necessary coursework if such students take the required courses at another local secondary school or community college.

#### "SEC. 420G. STIPENDS AND SCHOLARSHIP CONDITIONS.

"(a) **AMOUNT OF STIPEND.**—

"(1) **IN GENERAL.**—Each eligible student awarded a scholarship under this subpart shall receive a stipend for each academic year of study for which the scholarship is awarded in an amount equal to—

"(A)(i) the costs of tuition and uniform compulsory fees (or in the case of students residing in States that pay the costs of tuition, the costs of room and board) normally charged a full-time student at a public institution of higher education located in the State in which such eligible student resides; minus

"(ii) the amount of any Pell Grant awarded to such student for such academic year; or

"(B) \$1,000,

whichever is greater.

"(2) **PRO RATA REDUCTION.**—If the amount appropriated pursuant to the authority of section 420C is insufficient to award stipends in accordance with paragraphs (1)(A) and (1)(B), then the Secretary shall make a pro rata reduction of the amount of stipends awarded pursuant to paragraphs (1)(A) and (1)(B).

"(b) **PELL RECIPIENT STATUS AND SATISFACTORY ACADEMIC PROGRESS.**—In order to continue eligibility for a scholarship under this subpart for the second year of postsecondary attendance, an eligible student shall maintain eligibility to receive a Pell Grant, including fulfilling the requirements for satisfactory academic progress as described in section 484(c).

"(c) **ASSISTANCE NOT TO EXCEED COST OF ATTENDANCE.**—Scholarships awarded under this subpart, in combination with the Pell Grant and other student financial assistance, may not exceed the student's cost of attendance, as defined in section 472.

#### "SEC. 420H. APPLICATION.

"Each eligible student desiring a scholarship under this subpart shall submit an application to the Secretary at such time, in such manner and containing such information as the Secretary may reasonably require.

"Subpart 9—Minority Science and Engineering Improvement Programs

#### "CHAPTER 1—MINORITY SCIENCE IMPROVEMENT PROGRAM

##### "SEC. 420I. PURPOSE; AUTHORITY.

"(a) **PURPOSE.**—It is the purpose of this chapter to continue the authority of the Department to operate the Minority Institutions Science Improvement Program created under section 3(a)(1) of the National Science Foundation Act of 1950 and transferred to the Department by section 304(a)(1) of the Department of Education Organization Act of 1979.

"(b) **AUTHORITY.**—The Secretary shall, in accordance with the provisions of this chapter, carry out a program of making grants to institutions of higher education that are designed to effect long-range improvement in science and engineering education at predominantly minority institutions and to increase the participation of underrepresented ethnic minorities in scientific and technological careers.

##### "SEC. 420J. GRANT RECIPIENT SELECTION.

"(a) **ESTABLISHMENT OF CRITERIA.**—Grants under this chapter shall be awarded on the basis of criteria established by the Secretary by regulations.

"(b) **PRIORITIES TO BE GIVEN IN CRITERIA.**—In establishing criteria under subsection (a), the Secretary shall give priority to applicants which have not previously received funding from the

Minority Institutions Science Improvement Program and to previous grantees with a proven record of success, as well as to applications that contribute to achieving balance among projects with respect to geographic region, academic discipline, and project type.

"(c) **REQUIRED CRITERIA.**—In establishing criteria under subsection (a), the Secretary may consider the following selection criteria in making grants:

- "(1) plan of operation;
- "(2) quality of key personnel;
- "(3) budget and cost-effectiveness;
- "(4) evaluation plan;
- "(5) adequacy of resources;
- "(6) identification of need for the project;
- "(7) potential institutional impact of the project;
- "(8) institutional commitment to the project;
- "(9) expected outcomes; and
- "(10) scientific and educational value of the proposed project.

#### "SEC. 420K. USE OF FUNDS.

"(a) **TYPES OF GRANTS.**—Funds appropriated to carry out this chapter may be made available as—

- "(1) institutional grants (as defined in section 420T(6));
- "(2) cooperative grants (as defined in section 420T(7));
- "(3) design projects (as defined in section 420T(8)); or
- "(4) special projects (as defined in section 420T(9)).

"(b) **AUTHORIZED USES FOR EACH TYPE OF GRANT.**—

"(1) **IN GENERAL.**—The authorized uses of funds made available as institutional grants include (but are not limited to)—

- "(A) faculty development programs; or
- "(B) development of curriculum materials.

"(2) **COOPERATIVE GRANTS.**—The authorized uses of funds made available as cooperative grants include (but are not limited to)—

"(A) assisting institutions in sharing facilities and personnel;

"(B) disseminating information about established programs in science and engineering;

"(C) supporting cooperative efforts to strengthen the institutions' science and engineering programs; or

"(D) carrying out a combination of any of the activities described in subparagraphs (A) through (C).

"(3) **DESIGN PROJECTS.**—(A) The authorized uses of funds made available as design projects include (but are not limited to)—

"(i) developing planning, management, and evaluation systems; or

"(ii) developing plans for initiating scientific research and for improving institutions' capabilities for such activities.

"(B) Funds used for design project grants may not be used to pay more than 50 percent of the salaries during any academic year of faculty members involved in the project.

"(4) **SPECIAL PROJECTS.**—The authorized uses of funds made available as special projects include (but are not limited to)—

- "(A) advanced science seminars;
- "(B) science faculty workshops and conferences;

"(C) faculty training to develop specific science research or education skills;

"(D) research in science education;

"(E) programs for visiting scientists;

"(F) preparation of films or audio-visual materials in science;

"(G) development of learning experiences in science beyond those normally available to minority undergraduate students;

"(H) development of pre-college enrichment activities in science; or

"(I) any other activities designed to address specific barriers to the entry of minorities into science.



**"SEC. 420L. MULTIAGENCY STUDY OF MINORITY SCIENCE PROGRAMS.**

"The Secretary, in cooperation with the heads of other departments and agencies that operate programs similar in purposes to the Minority Science Improvement Program which seek to increase minority participation and representation in scientific fields, shall submit a report to the President and Congress summarizing and evaluating such programs by January 1, 1996.

**"CHAPTER 2—SCIENCE AND ENGINEERING ACCESS PROGRAMS****"SEC. 420M. MINORITY SUPPORT IN SCIENCE AND ENGINEERING PROGRAMS.**

"The Secretary shall, in accordance with the provisions of this chapter, carry out a program of making grants to institutions of higher education that are designed to provide or improve support programs for minority students enrolled in science and engineering programs at institutions with a significant minority enrollment (at least 10 percent).

**"SEC. 420N. SPECIAL SERVICE PROJECTS PROGRAM.**

"The Secretary shall, in accordance with the provisions of this chapter, carry out a program of making grants to institutions of higher education that are designed to provide or improve support to accredited colleges and universities and professional scientific societies for a broad range of activities designed to eliminate or reduce specific barriers to the entry of minorities into science and technology.

**"SEC. 420O. SUPPORTABLE ACTIVITIES.**

"Funds appropriated for the purpose of this chapter may be made available for—

"(1) providing needed services to groups of minority institutions or providing training for scientists and engineers from eligible minority institutions;

"(2) providing needed services to groups of institutions serving significant numbers of minority students or providing training for scientists and engineers from such institutions to improve their ability to train minority students in science or engineering;

"(3) assisting minority institutions to improve the quality of preparation of their students for graduate work or careers in science, mathematics, and technology;

"(4) improving access of undergraduate students at minority institutions to careers in the sciences, mathematics, and engineering;

"(5) improving access of minority students to careers in the science, mathematics, and engineering;

"(6) improving access for pre-college minority students to careers in science, mathematics, and engineering through community outreach programs conducted through colleges and universities eligible for support through the Minority Science and Engineering Improvement Programs;

"(7) disseminating activities, information, and educational materials designed to address specific barriers to the entry of minorities into science and technology, and conducting activities and studies concerning the flow of underrepresented ethnic minorities into scientific careers;

"(8) supporting curriculum models to encourage minority student participation in research careers in science, mathematics, and technology; and

"(9) improving the capability of minority institutions for self-assessment, management, and evaluation of their science, mathematics, and engineering programs and dissemination of their results.

**"CHAPTER 3—ADMINISTRATIVE AND GENERAL PROVISIONS****"SEC. 420P. ELIGIBILITY FOR GRANTS.**

"Eligibility to receive grants under this subpart is limited to—

"(1) public and private nonprofit institutions that are minority institutions (as defined in section 420T(3));

"(2) nonprofit science-oriented organizations, professional scientific societies, and all nonprofit, accredited colleges and universities which provide a needed service to a group of eligible minority institutions or which provide in-service training for project directors, scientists, and engineers from eligible minority institutions; and

"(3) for the purposes of section 420N, public and private nonprofit institutions that have at least 10 percent minority enrollment.

**"SEC. 420Q. GRANT APPLICATION.**

"(a) SUBMISSION AND CONTENTS OF APPLICATIONS.—An eligible applicant (as determined under section 420P) that desires to receive a grant under this subpart shall submit to the Secretary an application therefor at such time or times, in such manner, and containing such information as the Secretary may prescribe by regulation. Such application shall set forth—

"(1) a program of activities for carrying out one or more of the purposes described in section 420I(b) in such detail as will enable the Secretary to determine the degree to which such program will accomplish such purpose or purposes; and

"(2) such other policies, procedures, and assurances as the Secretary may require by regulation.

"(b) APPROVAL BASED ON LIKELIHOOD OF PROGRESS.—The Secretary shall approve an application only if the Secretary determines that the application sets forth a program of activities which are likely to make substantial progress toward achieving the purposes of this subpart.

"(c) CONTINUING ELIGIBILITY.—In order to remain eligible to receive financial assistance under this subpart in any fiscal year after the first fiscal year in which financial assistance under this subpart is received, a grant recipient shall demonstrate to the Secretary in the application submitted pursuant to this section that such recipient is making reasonable progress toward achieving the goals of the project for which assistance is sought.

**"SEC. 420R. CROSS PROGRAM AND CROSS AGENCY COOPERATION.**

"The Minority Science and Engineering Improvement Programs shall cooperate and consult with other programs within the Department and within Federal, State, and private agencies which carry out programs to improve the quality of science, mathematics, and engineering education.

**"SEC. 420S. ADMINISTRATIVE PROVISIONS.**

"(a) TECHNICAL STAFF.—The Secretary shall appoint without regard to the provisions of title 5 of the United States Code governing appointments in the competitive service, not less than 2 technical employees with appropriate scientific and educational background to administer the programs under this subpart who may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates.

"(b) PROCEDURES FOR GRANT REVIEW.—The Secretary shall establish procedures for reviewing and evaluating grants and contracts made or entered into under such programs. Procedures for reviewing grant applications, based on the peer review system, or contracts for financial assistance under this subpart may not be subject to any review outside of officials responsible for the administration of the Minority Science and Engineering Improvement Programs.

**"SEC. 420T. DEFINITIONS.**

"For the purpose of this subpart:

"(1) ACCREDITED.—The term 'accredited' means currently certified by a nationally recog-

nized accrediting agency or making satisfactory progress toward achieving accreditation.

"(2) MINORITY.—The term 'minority' means American Indian, Alaskan Native, Black (not of Hispanic origin), Hispanic (including persons of Mexican, Puerto Rican, Cuban, and Central or South American origin), Pacific Islander or other ethnic group underrepresented in science and engineering.

"(3) MINORITY INSTITUTION.—The term 'minority institution' means an institution of higher education whose enrollment of a single minority or a combination of minorities (as defined in paragraph (2)) exceeds 50 percent of the total enrollment. The Secretary shall verify this information from the data on enrollments in the higher education general information surveys (HEGIS) furnished by the institution to the Office for Civil Rights, Department of Education.

"(4) SCIENCE.—The term 'science' means, for the purpose of this program, the biological, engineering, mathematical, physical, and social sciences, and history and philosophy of science; also included are interdisciplinary fields which are comprised of overlapping areas among two or more sciences.

"(5) UNDERREPRESENTED IN SCIENCE AND ENGINEERING.—The term 'underrepresented in science and engineering' means a minority group whose number of scientists and engineers per 10,000 population of that group is substantially below the comparable figure for scientists and engineers who are white and not of Hispanic origin.

"(6) INSTITUTIONAL GRANT.—The term 'institutional grant' means a grant that supports the implementation of a comprehensive science improvement plan, which may include any combination of activities for improving the preparation of minority students for careers in science.

"(7) COOPERATIVE GRANT.—The term 'cooperative grant' means a grant that assists groups of nonprofit accredited colleges and universities to work together to conduct a science improvement program.

"(8) DESIGN PROJECTS.—The term 'design projects' means projects that assist minority institutions that do not have their own appropriate resources or personnel to plan and develop long-range science improvement programs.

"(9) SPECIAL PROJECTS.—The term 'special projects' means—

"(A) a special project grant to a minority institution which supports activities that—

"(i) improve the quality of training in science and engineering at minority institutions; or

"(ii) enhance the minority institutions' general scientific research capabilities; or

"(B) a special project grant to any eligible applicant which supports activities that—

"(i) provide a needed service to a group of eligible minority institutions; or

"(ii) provide in-service training for project directors, scientists, and engineers from eligible minority institutions.

**"SEC. 420U. AUTHORIZATION OF APPROPRIATIONS.**

"(a) AUTHORIZATIONS.—There are authorized to be appropriated to carry out the purposes of this subpart, \$7,500,000 for fiscal year 1993, and such sums as may be necessary for the 6 succeeding fiscal years.

"(b) APPROPRIATION LIMITATION.—For any fiscal year, 50 percent of the funds under this subpart shall be allocated for the purpose of section 420I, 33.33 percent for the purpose of section 420M, and 16.67 percent for the purpose of section 420N.

"Subpart 10—National Science Scholars Program

**"SEC. 420W. PURPOSE; APPROPRIATIONS AUTHORIZED.**

"(a) PURPOSE.—It is the purpose of this subpart to—

"(1) establish a National Science Scholars Program to recognize student excellence and achievement in the physical, life, and computer sciences, mathematics, and engineering;

"(2) provide financial assistance to students under paragraph (1) to continue their postsecondary education in such fields of study at sustained high levels of performance;

"(3) contribute to strengthening the leadership of the United States in such fields;

"(4) strengthen the United States mathematics, science, and engineering base by offering opportunities to pursue postsecondary education in life, physical, and computer sciences, mathematics, and engineering;

"(5) encourage role models in scientific, mathematics, and engineering fields for young people;

"(6) strengthen the United States mathematics, scientific, and engineering potential by encouraging equal participation of women with men in mathematics, scientific, and engineering fields; and

"(7) attract talented students to teaching careers in mathematics and science in elementary and secondary schools.

"(b) **AUTHORIZATION OF APPROPRIATIONS.**—There are authorized to be appropriated to the Department of Education \$4,500,000 for fiscal year 1993 and such sums as may be necessary for each of the 6 succeeding fiscal years for awards to National Science Scholars.

#### "SEC. 420X. SCHOLARSHIPS AUTHORIZED.

"(a) **PROGRAM AUTHORITY.**—The Secretary is authorized, in accordance with the provisions of this subpart, to carry out a program of awarding scholarships to students for the study of the physical, life, or computer sciences, mathematics, or engineering, who—

"(1) are selected by the President;

"(2) have demonstrated outstanding academic achievement in the physical, life, or computer sciences, mathematics, or engineering; and

"(3) show promise of continued outstanding academic performance in such field of study.

"(b) **PERIOD OF AWARDS.**—

"(1) **PERIOD OF INITIAL AWARD.**—A student who satisfies the requirements of section 420Z(a) may receive a scholarship, for a period of 1 academic year, for the first year of undergraduate study at an institution of higher education.

"(2) **CONTINUATION AWARDS.**—A student who satisfies the requirements of section 420Z(b) may receive additional scholarships, each awarded for a period of 1 academic year, in order to complete his or her undergraduate course of study. A student may receive additional scholarships for not more than 3 academic years of undergraduate study, except that, in the case of a student who is enrolled in an undergraduate course of study that requires attendance for 5 academic years, the student may receive additional scholarships for not more than 4 academic years of undergraduate study.

"(c) **USE AT ANY INSTITUTION PERMITTED.**—A student awarded a scholarship under this subpart may attend any institution of higher education as defined in section 1201(a).

"(d) **NATIONAL SCIENCE SCHOLARS.**—Students awarded scholarships under this subpart shall be known as 'National Science Scholars'.

#### "SEC. 420Y. SELECTION OF SCHOLARS.

"(a) **SELECTION CRITERIA FOR INITIAL AWARDS.**—

"(1) **SELECTION CRITERIA.**—The Director of the National Science Foundation shall develop and submit to the Secretary proposed criteria to be used in the selection of National Science Scholars for initial year awards under section 420X(b)(1). Such criteria shall provide for the selection of such scholars on the basis of potential to successfully complete a postsecondary program in the physical, life, or computer sciences, mathematics, or engineering, and on the basis of

motivation to pursue a career in such fields. In addition, consideration may be given to the financial need of the individual, and to promoting participation by minorities and individuals with disabilities. The Director shall determine the proposed criteria for measuring the potential and motivation of nominees.

"(2) **PUBLICATION.**—The Secretary and the Director shall agree to, and jointly publish in the Federal Register, appropriate selection criteria.

#### "(b) SELECTION PROCESS FOR INITIAL AWARDS.

"(1) **NOMINATING COMMITTEE.**—Each State desiring to qualify its students for selection as a National Science Scholar shall establish a nominating committee. Such committee shall be appointed by the chief State school officer or by an existing grant agency or panel designated by such officer, and shall be approved by the Secretary. The nominating committee shall be a broad-based committee composed of educators, scientists, mathematicians, and engineers, who shall serve as volunteers without compensation.

"(2) **NOMINATIONS.**—The nominating committee in each State shall submit to the President the nominations of at least four individuals from each congressional district in the State, at least half of whom are female. Such selections shall be ranked in order of priority.

"(3) **SELECTION.**—The President, after consultation with the Secretary and the Director of the National Science Foundation, shall select two National Science Scholars for each academic year from each congressional district, at least one of whom shall be female.

"(4) **ANNOUNCEMENT AND AWARD OF SCHOLARSHIPS.**—The selection process shall be completed, and the announcement of the selection of National Science Scholars shall be made by the President prior to January 1 of each fiscal year. The Secretary shall notify each Member of Congress of selections made from such Member's district and State before the public announcement by the President. Presentation of scholarships may be made in a public ceremony.

"(5) **CONGRESSIONAL DISTRICT.**—For purposes of this subsection, the term 'congressional district' includes the part or all of a State (within the meaning of section 1201(b)) represented by a Member or Delegate of the House of Representatives, and includes the Commonwealth of the Northern Mariana Islands.

"(c) **CONTINUATION AWARDS.**—The Secretary shall award additional scholarships under section 420X(b)(2) to recipients of initial awards under section 420X(b)(1) whom the Secretary determines meet the requirements of section 420Z(b).

"(d) **DISBURSAL OF SCHOLARSHIP PROCEEDS.**—Scholarship proceeds shall be disbursed on behalf of students who receive scholarships under this subpart to the institutions of higher education at which the students are enrolled. No scholarship proceeds shall be disbursed on behalf of a student until the student is enrolled at an institution of higher education.

"(e) **SPECIAL RULE.**—The Director and the Secretary shall encourage the support and assistance of civic groups, the business community, professional associations, institutions of higher education, and others in providing scholarship assistance to National Science Scholarship finalists.

#### "SEC. 420Z. ELIGIBILITY OF SCHOLARS.

"(a) **REQUIREMENTS FOR INITIAL AWARD.**—To be eligible to receive a scholarship under section 420X(b)(1), a student shall—

"(1) be scheduled to graduate from a public or private secondary school, or to obtain the equivalent of a certificate of graduation (as recognized by the State in which the student resides), during the school year in which the award is made;

"(2) be a citizen or national of the United States or the entities set forth in section

420Y(b)(5), or be an alien lawfully admitted to the United States for permanent residence;

"(3) have demonstrated outstanding academic achievement in secondary school in physical, life, or computer sciences, mathematics, or engineering;

"(4) have been accepted for enrollment at an institution of higher education as a full-time undergraduate student (as determined by the institution); and

"(5) have declared a major in one of the physical, life, or computer sciences, mathematics, or engineering, or provided a written statement to the State of the student's intent to major in one of these fields of study, if it is the policy of the institution at which the student has been accepted for enrollment that students not declare a major until a later point in their course of study.

"(b) **REQUIREMENTS FOR CONTINUATION AWARDS.**—A student who has received a scholarship under section 420X(b)(1) may receive a scholarship for a subsequent academic year of undergraduate education under section 420X(b)(2) if the student—

"(1) maintains a high level of academic achievement, as determined in accordance with the regulations of the Secretary;

"(2) continues to major in, or provides a statement to the State as described in subsection (a)(5) of the student's continuing intent to major in, one of the physical, life, or computer sciences, mathematics, or engineering; and

"(3) continues to be enrolled at an institution of higher education as a full-time undergraduate student (as determined by the institution).

"(c) **WAIVER OF FULL-TIME ATTENDANCE REQUIREMENT.**—The Secretary may waive the full-time attendance requirements in this section in unusual circumstances.

"(d) **FAILURE TO MEET ELIGIBILITY REQUIREMENTS.**—In the event that the student fails to meet the requirements of this section, the student's eligibility to receive further scholarships (or scholarship proceeds) under this subpart shall be suspended in accordance with the regulations of the Secretary.

"(e) **REINSTATEMENT OF ELIGIBILITY.**—The Secretary shall determine circumstances under which eligibility of a scholarship recipient under this subpart may be reinstated if the recipient seeks to reenter school after an interruption of schooling for personal reasons, including, but not limited to, pregnancy, child-rearing, and other family responsibilities.

"(f) **NOTIFICATION OF SECONDARY SCHOOLS.**—The Secretary shall notify all public and private secondary schools and all institutions of higher education in each State annually of the availability of scholarships under this subpart.

#### "SEC. 420AA. SCHOLARSHIP AMOUNT.

"(a) **AMOUNT OF AWARD.**—Except as provided in subsections (b) and (c), the amount of a scholarship awarded under this subpart for any academic year shall be \$5,000.

"(b) **RELATION TO COST OF ATTENDANCE.**—Notwithstanding subsection (a), the amount of a scholarship awarded under this subpart shall be reduced by the amount that the scholarship exceeds the student's cost of attendance, as defined in section 472. A scholarship awarded under this subpart shall not be reduced on the basis of the student's receipt of other forms of Federal student financial assistance, but shall be taken into account in determining the eligibility of the student for those other forms of Federal student financial assistance.

"(c) **ADJUSTMENTS FOR INSUFFICIENT APPROPRIATIONS.**—In the event that funds available in a fiscal year are insufficient to fully fund all awards under this subpart, the amount paid to each student shall be reduced proportionately.

#### "SEC. 420BB. SUMMER EMPLOYMENT OPPORTUNITIES FOR SCHOLARS.

"(a) **PRIORITY FOR SUMMER EMPLOYMENT.**—To the extent that they are otherwise qualified,



students receiving scholarships under this subpart shall be given priority consideration for federally financed summer employment in federally funded research and development centers, that, to the maximum extent practicable, complements and reinforces the educational program of these students.

"(b) **FEDERAL AGENCY COOPERATION.**—Federal agencies shall cooperate fully with the Secretary and participate actively in providing appropriate summer employment opportunities for such students.

"Subpart II—Special Child Care Services for Disadvantaged College Students

**"SEC. 420CC. SPECIAL CHILD CARE SERVICES FOR DISADVANTAGED COLLEGE STUDENTS.**

"(a) **PROGRAM AUTHORITY.**—Funds appropriated pursuant to subsection (c) shall be used by the Secretary to make grants to institutions of higher education to provide special child care services to disadvantaged students.

"(b) **APPLICATIONS.**—Any institution wishing to receive a grant under this section shall submit an application to the Secretary. Such application shall include—

"(1) a description of the program to be established;

"(2) assurances by the applicant to the Secretary that—

"(A) not less than two-thirds of the participants in the program are low-income individuals;

"(B) the participants require the services to pursue successfully a program of education beyond high school;

"(C) the participants are enrolled at the institution which is the recipient of the grant;

"(D) all participants will receive sufficient assistance (under this subpart, other provisions of this title, or otherwise) to meet that student's full financial need for child care services related to such enrollment; and

"(E) the institution will meet such need of participants by providing child care through vouchers, contracted services, or direct provision of services; and

"(3) such information (and meet such conditions) as may be required by the Secretary.

"(c) **AUTHORIZATION OF APPROPRIATIONS.**—There are authorized to be appropriated to carry out the purpose of this section, \$25,000,000 for fiscal year 1993 and such sums as may be necessary for each of the 6 succeeding fiscal years.

"(d) **DEFINITION.**—For purposes of this subpart, the term 'low-income individual' means an individual from a family whose taxable income for the preceding year did not exceed 150 percent of an amount equal to the poverty level determined by using the criteria of poverty established by the Bureau of Census."

**SEC. 425. LIMITATIONS ON INDIVIDUALLY INSURED LOANS AND ON FEDERAL LOAN INSURANCE.**

Subsection (a) of section 425 of the Act (20 U.S.C. 1075(a)) is amended—

(1) in subparagraph (A) of paragraph (1), by striking clauses (i), (ii) and (iii) and inserting the following:

"(i) in the case of a student at an eligible institution who has not successfully completed the first year of a program of undergraduate education—

"(I) \$3,000, if such student is carrying at least the normal full-time academic work load (as determined by the institution);

"(II) \$2,250, if such student is carrying three-quarters of the normal full-time academic work load (as determined by the institution); or

"(III) \$1,500, if such student is carrying at least one-half of the normal full-time academic work load (as determined by the institution);

"(ii) in the case of a student at an eligible institution who has successfully completed such

first year but has not successfully completed the second year of undergraduate study—

"(I) \$3,500 if such student is carrying at least the normal full-time academic work load (as determined by the institution);

"(II) \$2,250, if such student is carrying at least three-quarters of the full-time academic work load (as determined by the institution); or

"(III) \$1,750, if such student is carrying at least one-half of the normal full-time work load (as determined by the institution);

"(iii) in the case of a student at an eligible institution who has successfully completed such second year but has not successfully completed the remainder of a program of undergraduate study—

"(I) \$5,500, if such student is carrying at least the normal full-time academic work load (as determined by the institution);

"(II) \$3,750, if such student is carrying at least three-quarters of the full-time academic work load (as determined by the institution); or

"(III) \$2,500, if such student is carrying at least one-half of the full-time academic work load (as determined by the institution); or

"(iv) \$9,000, in the case of a graduate or professional student (as defined in regulations issued by the Secretary), except—

"(I) in cases where the Secretary determines, pursuant to regulations, that a higher amount is warranted in order to carry out the purpose of this part with respect to students engaged in specialized training requiring exceptionally high costs of education or in programs of study abroad that are approved for credit by the institution; and

"(II) that the annual insurable limit per student shall not be deemed to be exceeded by a line of credit under which actual payments by the lender to the borrower will not be made in any years in excess of the annual limit.";

(2) in subparagraph (A) of paragraph (2), by striking clauses (i) and (ii) and inserting the following:

"(i) \$23,000, in the case of any student who has not successfully completed a program of undergraduate education, excluding loans made under section 428A or 428B; and

"(ii) \$68,000, in the case of any graduate or professional student (as defined by regulations of the Secretary and including any loans which are insured by the Secretary under this section, or by a guaranty agency, made to such student before the student became a graduate or professional student), excluding loans made under section 428A or 428B, except that the Secretary may increase the limit applicable to students who are pursuing programs which the Secretary determines are exceptionally expensive,

except that the aggregate insured unpaid principal amount for all loans insured under this part and part E made to any student minus any interest capitalized under section 428A(c) shall be any amount not to exceed a maximum of \$52,000, in the case of any student who has not successfully completed a program of undergraduate education, and \$115,000, in the case of any graduate or professional student (as defined by regulations issued by the Secretary and including any loans which are insured by the Secretary under this part and part E, or by a guaranty agency, made to such student before the student became a graduate or professional student), excluding loans made under section 428B."

**SEC. 426. ELIGIBILITY OF STUDENT BORROWERS AND TERMS OF FEDERALLY INSURED STUDENT LOANS.**

Subsection (a) of section 427 of the Act (20 U.S.C. 1077) is amended—

(1) in paragraph (2)—

(A) by amending subparagraph (A) to read as follows:

"(A) is made without security and without endorsement, except that prior to making a loan

insurable by the Secretary under this part a lender may—

"(i) obtain a credit report, from at least one national credit bureau organization, with respect to a loan applicant who is an independent student for the award year for which assistance is being sought, and for which the lender shall not charge the applicant a fee; and

"(ii) require an applicant described in clause (i) who, in the judgment of the lender and in accordance with the regulations issued by the Secretary, has an adverse credit history, to obtain a credit worthy cosigner in order to obtain the loan, except that, for purposes of this clause, an insufficient or nonexistent credit history shall not be considered to be an adverse credit history.";

(B) in clause (i) of subparagraph (C)—

(i) in subclause (I), by striking "at an eligible institution" and inserting "as determined by an institution eligible for assistance under this part"; and

(ii) in subclause (II), by striking "during an enrollment period for which the student has obtained a loan under this part";

(C) by striking "and" at the end of subparagraph (G);

(D) by redesignating subparagraph (H) as subparagraph (I); and

(E) by inserting after subparagraph (G) the following new subparagraph:

"(H) requires the lender (or the holder of the loan) to notify the borrower not later than 180 days after the lender is notified that the borrower has left the eligible institution of the month in which the repayment period begins; and"; and

(2) in paragraph (3), by inserting "and, except further, that checks to students who are studying outside the United States in a program of study abroad that is approved for credit by the home institution may be endorsed pursuant to an authorized power-of-attorney" before the semicolon.

**SEC. 427. APPLICABLE INTEREST RATES.**

Section 427A of the Act (20 U.S.C. 1077a) is amended—

(1) in paragraph (4) of subsection (c)—

(A) in subparagraph (A)—

(i) by inserting "through June 30, 1993" after "1987"; and

(ii) by striking "under subparagraph (B)" and inserting "under subparagraph (C)";

(B) by redesignating subparagraphs (B) and (C) as subparagraphs (C) and (D), respectively;

(C) by inserting after subparagraph (A) the following new subparagraph:

"(B) For any loan made pursuant to sections 428A or 428B to cover the cost of instruction for any period of enrollment beginning on or after July 1, 1993, or any loan made pursuant to such sections prior to such date that is refinanced pursuant to sections 428A(d) or 428B(d), the applicable rate of interest during any 12-month period beginning on July 1 and ending on June 30 shall be determined under subparagraph (C), except that such rate shall not exceed 11 percent.";

(D) in subparagraph (D) (as amended in subparagraph (B)), by striking "under subparagraph (B)" and inserting "under subparagraph (C)";

(2) in the heading for subsection (d), by inserting "and before July 1, 1993" after "1988";

(3) in the matter preceding paragraph (1) of subsection (d), by inserting "and ending before July 1, 1993" after "1988";

(4) in paragraph (1) of subsection (e), by inserting "made to cover the cost of instruction for any period of enrollment beginning on or after July 1, 1988 and ending before July 1, 1993" after "loan";

(5) by redesignating subsections (f) and (g) as subsections (g) and (h), respectively; and

(6) by inserting after subsection (d) the following new subsection:

"(f) **INTEREST RATES FOR NEW BORROWERS AFTER JULY 1, 1993.**—

"(I) **IN GENERAL.**—Notwithstanding subsections (a) and (b) of this section, with respect to any loan (other than a loan made pursuant to sections 428A, 428B and 428C) to cover the cost of instruction for any period of enrollment beginning on or after July 1, 1993, to any borrower who, on the date of entering into the note or other written evidence of the loan, has no outstanding balance of principal or interest on any loan made, insured, or guaranteed under this part, the applicable rate of interest shall be—

"(A) 9 percent per year on the unpaid principal balance of the loan during the period beginning on the date of the disbursement of the loan and ending 4 years after the commencement of repayment; and

"(B) during the remainder of the repayment period, the applicable rate of interest during any 12-month period beginning on July 1 and ending on June 30 shall be determined on the preceding June 1 and is equal to—

"(i) the bond equivalent rate of 91-day Treasury bills auctioned at the final auction held prior to such June 1; plus

"(ii) 3.25 percent, except that such rate shall not exceed 11 percent.

"(2) **CONSULTATION.**—The Secretary shall determine the applicable rate of interest under paragraph (1) after consultation with the Secretary of the Treasury and shall publish such rate in the Federal Register as soon as practicable after the date of determination."

**SEC. 428. FEDERAL PAYMENTS TO REDUCE STUDENT INTEREST COSTS.**

Section 428 of the Act (20 U.S.C. 1078) is amended—

(1) in paragraph (2) of subsection (a)—

(A) in subparagraph (A)—

(i) in subclause (III) of clause (i), by striking "and" at the end thereof;

(ii) in clause (ii), by striking the period at the end thereof and inserting a semicolon and "and"; and

(iii) by adding at the end thereof the following new clause:

"(iii) have provided to the lender at the time of application for a loan made, insured, or guaranteed under this part, the student's drivers license number, if any."; and

(B) in subparagraph (C)—

(i) by amending clause (i) to read as follows:

"(i) a student's estimated financial assistance means, for the period for which the loan is sought, the amount of assistance such student will receive under subpart 1 of part A (as determined in accordance with section 484(b)), subpart 2 of part A, and parts C and E of this title, and any veterans' education benefits paid because of enrollment in a postsecondary education institution, including benefits received under chapters 2, 106 and 107 of title 10, United States Code, and chapters 30, 31, 32, 34 and 35 of title 38, United States Code."; and

(ii) by amending clause (ii) to read as follows:

"(ii) the determination of need and of the amount of a loan by an eligible institution under subparagraph (B) with respect to a student shall be calculated in accordance with part F."

(2) in subsection (b)—

(A) in paragraph (1)—

(i) by amending subparagraph (A) to read as follows:

"(A) authorizes the insurance in any academic year or its equivalent of an amount not to exceed—

"(i) in the case of a student at an eligible institution (or in a program of study abroad approved for credit by the eligible institution) who

has not successfully completed the first year of a program of undergraduate education—

"(I) \$3,000, if such student is carrying at least the normal full-time academic work load (as determined by the institution);

"(II) \$2,250, if such student is carrying three-quarters of the normal full-time academic work load (as determined by the institution); or

"(III) \$1,500, if such student is carrying at least one-half of the normal full-time academic work load (as determined by the institution);

"(ii) in the case of a student at an eligible institution who has successfully completed such first year but has not successfully completed the second year of undergraduate study—

"(I) \$3,500 if such student is carrying at least the normal full-time academic work load (as determined by the institution);

"(II) \$2,250, if such student is carrying at least three-quarters of the full-time academic work load (as determined by the institution); or

"(III) \$1,750, if such student is carrying at least one-half of the normal full-time work load (as determined by the institution);

"(iii) in the case of a student at an eligible institution (or in a program of study abroad approved for credit by the eligible institution) who has successfully completed such second year but has not successfully completed the remainder of a program of undergraduate study—

"(I) \$5,500, if such student is carrying at least the normal full-time academic work load (as determined by the institution);

"(II) \$3,750, if such student is carrying at least three-quarters of the full-time academic work load (as determined by the institution); or

"(III) \$2,500, if such student is carrying at least one-half of the full-time academic work load (as determined by the institution); and

"(iv) \$9,000, in the case of a graduate or professional student (as defined in regulations of the Secretary), except that—

"(I) in cases where the Secretary determines, pursuant to regulations, that a higher amount is warranted in order to carry out the purpose of this part with respect to students engaged in specialized training requiring exceptionally high costs of education; and

"(II) the annual insurable limit per student shall not be deemed to be exceeded by a line of credit under which actual payments by the lender to the borrower will not be made in any years in excess of the annual limit."; and

(ii) by amending subparagraph (B) to read as follows:

"(B) provides that the aggregate insured unpaid principal amount for all such insured loans made to any student shall be any amount not to exceed—

"(i) \$23,000, in the case of any student who has not successfully completed a program of undergraduate education, excluding loans made under section 428A or 428B; and

"(ii) \$68,000, in the case of any graduate or professional student (as defined by regulations issued by the Secretary and including any loans which are insured by the Secretary under this section, or by a guaranty agency, made to such student before the student became a graduate or professional student), excluding loans made under section 428A or 428B, except that the Secretary may increase the limit applicable to students who are pursuing programs which the Secretary determines are exceptionally expensive;

except that the aggregate insured unpaid principal amount for all loans insured under this part and part E made to any student minus any interest capitalized under section 428A(c) shall be any amount not to exceed a maximum of \$52,000, in the case of any student who has not successfully completed a program of undergraduate education, and \$115,000, in the case of any graduate or professional student (as defined

by regulations issued by the Secretary and including any loans which are insured by the Secretary under this part and part E, or by a guaranty agency, made to such student before the student became a graduate or professional student), excluding loans made under section 428B;";

(iii) in clause (ii) of subparagraph (D), by inserting "and subsection (c)(3) of this section" after "of this paragraph"; and

(iv) by amending subparagraph (M) to read as follows:

"(M)(i) for loans made on or before June 30, 1993, provides that periodic installments of principal need not be paid, but interest shall accrue and be paid, during any period—

"(I) during which the borrower (aa) is pursuing a full-time course of study as determined by an eligible institution, (bb) is pursuing at least a half-time course of study (as determined by such institution), or (cc) is pursuing a course of study pursuant to a graduate fellowship program approved by the Secretary, or pursuant to a rehabilitation training program for disabled individuals approved by the Secretary, except that no borrower shall be eligible for a deferment under this clause, or loan made under this part (other than a loan made under 428B or 428C), while serving in a medical internship or residency program;

"(II) not in excess of 3 years during which the borrower is a member of the Armed Forces of the United States, is an active duty member of the National Oceanic and Atmospheric Administration Corps, or is an officer in the Commissioned Corps of the Public Health Service;

"(III) not in excess of 3 years during which the borrower is in service as a volunteer under the Peace Corps Act;

"(IV) not in excess of 3 years during which the borrower is in service as a full-time volunteer under the Domestic Volunteer Service Act of 1973;

"(V) not in excess of 3 years during which the borrower is in service, comparable to the service referred to in subclauses (III) and (IV), as a full-time volunteer for an organization which is exempt from taxation under section 501(c)(3) of the Internal Revenue Code of 1986;

"(VI) not in excess of 3 years during which the borrower is engaged as a full-time teacher in a public or nonprofit private elementary or secondary school in a teacher shortage area established by the Secretary pursuant to paragraph (4) of this subsection;

"(VII) not in excess of 2 years during which the borrower is serving an internship, the successful completion of which is required in order to receive professional recognition required to begin professional practice or service or serving in an internship or residency program leading to a degree or certificate awarded by an institution of higher education, a hospital, or a health care facility that offers postgraduate training;

"(VIII) not in excess of 3 years during which the borrower is temporarily totally disabled, as established by sworn affidavit of a qualified physician, or during which the borrower is unable to secure employment by reason of the care required by a dependent who is so disabled;

"(IX) not in excess of 24 months, at the request of the borrower, during which the borrower is seeking and unable to find full-time employment;

"(X) not in excess of 6 months of parental leave; and

"(XI) not in excess of 12 months for mothers with preschool age children who are just entering or reentering the work force and who are compensated at a rate not exceeding \$1 in excess of the rate prescribed under section 6 of the Fair Labor Standards Act of 1938;

"(ii) for loans made on or after July 1, 1993, provides that periodic installments of principal



need not be paid, but interest shall accrue and be paid, during any period—

(I) during which the borrower—

“(aa) is pursuing a full-time course of study as determined by an eligible institution;

“(bb) is pursuing at least a half-time course of study (as determined by such institution); or

“(cc) is pursuing a course of study pursuant to a graduate fellowship program approved by the Secretary, or pursuant to a rehabilitation training program for disabled individuals approved by the Secretary, except that no borrower shall be eligible for a deferment under this clause, or loan made under this part (other than a loan made under 428B or 428C), while serving in a medical internship or residency program;

“(II) not in excess of 3 years during which the borrower is seeking and unable to find full-time employment;

“(III) not in excess of 3 years during which the borrower is temporarily totally disabled, as established by sworn affidavit of a qualified physician, or during which the borrower is unable to secure employment by reason of the care required by a dependent who is so disabled; and

“(IV) not in excess of 3 years during which the borrower is working full-time and is earning at or below 100 percent of the poverty line for a family of 2 as determined in accordance with section 673(2) of the Community Service Block Grant Act;”;

(v) in subparagraph (N), by inserting “or may be endorsed pursuant to an authorized power-of-attorney” before the semicolon;

(vi) in subparagraph (U), by striking “and” at the end thereof;

(vii) by amending subparagraph (V) to read as follows:

“(V) provides that, upon written request, a lender shall grant a borrower forbearance of principal and interest, renewable at 12-month intervals for a period not to exceed 3 years, on such terms as are otherwise consistent with the regulations of the Secretary and agreed upon in writing by the parties to the loan, with the approval of the insurer if the borrower's debt burden equals or exceeds 20 percent of gross income;”;

(viii) by adding at the end the following new subparagraphs:

“(W) provides that prior to making a loan made, insured, or guaranteed under this part (other than a loan made in accordance with section 428C), a lender may—

“(i) obtain a credit report, from at least 1 national credit bureau organization, with respect to a loan applicant who is an independent student for the award year for which assistance is being sought, for which the lender shall not charge a fee; and

“(ii) require an applicant of the age specified in clause (i) who, in the judgment of the lender in accordance with the regulations of the Secretary, has an adverse credit history, to obtain a credit worthy cosigner in order to obtain the loan, except that, for purposes of this clause, an insufficient or nonexistent credit history shall not be considered to be an adverse credit history; and

“(X) provides that the agency shall implement all requirements of the Secretary for uniform claims and procedures.”;

(B) in paragraph (2)—

(i) in subparagraph (C), by striking “, as the Secretary may reasonably require to carry out the Secretary's functions under this part,” and inserting “, including financial information, as the Secretary may reasonably require to carry out the Secretary's functions under this part and protect the financial interest of the United States.”;

(ii) by striking “and” at the end of clause (ii) of subparagraph (D);

(iii) in subparagraph (E)—

(I) by inserting “(i)” after the subparagraph designation;

(II) by striking the period at the end thereof and inserting a semicolon and “and”; and

(III) by adding at the end the following new clause:

“(ii) provide that the lender (or the holder of the loan) shall notify the borrower not later than 180 days after the lender is notified that the borrower has left the eligible institution of the month in which the repayment period begins.”; and

(iv) inserting at the end thereof the following new subparagraph:

“(F) provide that the lender shall be required to notify promptly the borrower, the guaranty agency, and, upon the request of an institution of higher education, the guaranty agency shall be required to notify the last such institution the student attended prior to the beginning of repayment of any loan made under this part, of—

“(i) any sale or other transfer of the loan to another holder; and

“(ii) the address and telephone number by which contact may be made with such other holder concerning repayment of the loan,

except that this subparagraph shall only apply if the borrower is in the grace period described in section 427(a)(2)(B) or in repayment status and if such sale or transfer results in the student being required to make payments, or to direct other matters concerned with the loan, to a person other than the person to whom such payments were made or such matters were directed before such sale or transfer.”; and

(C) by adding at the end the following new paragraph:

“(7) RESTRICTIONS ON GUARANTY AGENCY OFFICERS AND EMPLOYEES.—No guaranty agency shall permit any of its officers or employees to have a direct financial interest in, or serve as an officer of, any lender, secondary market, contractor or servicer with which the guaranty agency does business.”;

(3) in subsection (c)—

(A) in paragraph (1)—

(i) in subparagraph (A), by striking the period at the end thereof and inserting “or 45 days after the guaranty agency discharges such agency's insurance obligation on the loan, whichever is later.”; and

(ii) by amending subparagraph (B) to read as follows:

“(B) Notwithstanding subparagraph (A)—

“(i) if, for any fiscal year, the amount of such reimbursement payments by the Secretary under this subsection exceeds 5 percent of the amount of the loans which are insured by such guaranty agency under such program and which were in repayment at the end of the preceding fiscal year, the amount to be paid as reimbursement under this subsection for such excess shall be equal to 90 percent of the amount of such excess;

“(ii) if, for any fiscal year, the amount of such reimbursement payments exceeds 9 percent of such loans, the amount to be paid as reimbursement under this subsection for such excess shall be equal to 80 percent of such excess; and

“(iii) if, with respect to the end of any fiscal year, a guaranty agency is being reimbursed at the level described in clause (i) or (ii), the initial reimbursement payments by the Secretary with respect to the beginning of the next succeeding fiscal year shall be calculated at such level until the Secretary determines, based on data submitted by the guaranty agency, that such guaranty agency meets the requirements of this subsection for reimbursement at a different level. Upon the Secretary's determination, the reimbursement payments by the Secretary shall be adjusted accordingly, including any underpayment or overpayment of the initial reimbursement payments.”;

(B) in paragraph (2)—

(i) in subparagraph (D)—

(I) by redesignating clauses (i) and (ii) as subclauses (I) and (II), respectively;

(II) by inserting “(i)” before “shall provide”; and

(III) by inserting “and” after the semicolon;

(IV) by inserting at the end the following new clause:

“(ii) shall provide that a guaranty agency that receives reimbursement payment from the Secretary shall, at the Secretary's discretion and promptly and without administrative delay, assign to the Secretary the promissory note for the loan on which such payment has been made.”;

(ii) by striking “and” at the end of subparagraph (F);

(iii) by redesignating subparagraph (G) as subparagraph (H); and

(iv) by inserting after subparagraph (F) the following new subparagraph:

“(G) shall prohibit the Secretary from making any reimbursement under this subsection to a guaranty agency when a default claim is based on an inability to locate the borrower, unless the guaranty agency, at the time of filing for reimbursement, demonstrates to the Secretary that diligent attempts have been made to locate the borrower through the use of all available skip-tracing techniques; and”;

(C) in paragraph (3), by adding at the end the following new sentence: “The Secretary shall permit lenders to exercise administrative forbearances that do not require the agreement of the borrower under conditions authorized by the Secretary, that shall include forbearances for borrowers who are delinquent at the time of the granting of an authorized period of deferment under section 428(b)(1)(M) or 427(a)(2)(C).”;

(D) in paragraph (7)—

(i) in subparagraph (A)—

(I) in the matter preceding clause (i), by striking “(1)(B)” and inserting “(1)(C)”; and

(II) in clause (i), by inserting “and ends before October 1, 1991” before the semicolon;

(ii) in subparagraph (B), by inserting “or (B)” after “(A)”; and

(iii) by redesignating subparagraph (B) (as amended in clause (ii)) as subparagraph (C); and

(iv) by inserting after subparagraph (A) the following new subparagraph:

“(B) Notwithstanding the provisions of paragraph (1)(C), the Secretary may pay a guaranty agency 100 percent of the amount expended by such agency in discharge of such agency's insurance obligation for any fiscal year which—

“(i) begins on or after October 1, 1991; and

“(ii) is the fiscal year in which such guaranty agency begins to actively carry on a student loan insurance program which is subject to a guaranty agreement under subsection (b) or is one of the 4 succeeding fiscal years.”; and

(E) by adding at the end the following new paragraph:

“(10) GUARANTY AGENCY RESERVE LEVEL.—(A) Each guaranty agency which has entered into an agreement with the Secretary pursuant to this subsection shall maintain a current minimum reserve level of at least .5 percent of the total amount of all outstanding loans guaranteed by such agency in every calendar quarter beginning with the calendar quarter that starts on January 1, 1993. The minimum reserve level shall increase to—

“(i) .7 percent of such total amount in every calendar quarter beginning with the calendar quarter that starts on January 1, 1994;

“(ii) .9 percent of such total amount in every calendar quarter beginning with the calendar quarter that starts on January 1, 1995; and

“(iii) 1.1 percent of such total amount in every calendar quarter beginning with the calendar quarter that starts on January 1, 1996.

"(B) The Secretary shall collect, on a quarterly basis, information from each guaranty agency having an agreement under this subsection to enable the Secretary to evaluate the financial solvency of each such agency. The information collected shall include the level of such agency's current reserves, cash disbursements and accounts receivable.

"(C) If any guaranty agency falls below the required minimum reserve level in any 2 consecutive calendar quarters, any guaranty agency's Federal reimbursement payments are reduced to 80 percent pursuant to section 428(c)(1)(B)(ii), or the Secretary determines that the administrative or financial condition of a guaranty agency jeopardizes such agency's continued ability to perform its responsibilities under its guaranty agreement, then the Secretary shall require the guaranty agency to submit and implement a management plan acceptable to the Secretary within 30 working days of any such event.

"(D) Each management plan described in subparagraph (C) shall include the means by which the guaranty agency shall improve its financial and administrative condition to the required level within 18 months.

"(E) The Secretary may terminate a guaranty agency's agreement in accordance with subparagraph (F) if—

"(i) a guaranty agency required to submit a management plan under this paragraph fails to submit a plan that is acceptable to the Secretary;

"(ii) the Secretary determines that a guaranty agency has failed to improve substantially its administrative and financial condition; or

"(iii) if the Secretary determines that the guaranty agency is in danger of financial collapse.

"(F) Except as provided in subparagraph (G), if a guaranty agency's agreement under this subsection is terminated in accordance with subparagraph (E), then the Secretary shall assume responsibility for all functions of the guaranty agency under the loan insurance program of such agency. In performing such functions the Secretary is authorized to:

"(i) Permit the transfer of guaranties to another guaranty agency.

"(ii) Revoke the reinsurance agreement of the guaranty agency at a specified date, so as to require the merger, consolidation or termination of the guaranty agency.

"(iii) Transfer guaranties to the Department for the purpose of payment of such claims and process such claims using the claims standards of the guaranty agency, if such standards are determined by the Secretary to be in compliance with this Act.

"(iv) Design and improve a plan to restore the guaranty agency's viability.

"(v) Take any other action the Secretary determines necessary to ensure the continued availability of loans made under this part to residents of the State or States in which the guaranty agency did business, the full honoring of all guaranties issued by the guaranty agency prior to the Secretary's assumption of the functions of such agency, and the proper servicing of loans guaranteed by the guaranty agency prior to the Secretary's assumption of the functions of such agency, and to avoid disruption of the student loan program.

"(G) The Secretary may not take any action under subparagraph (F) against any guaranty agency that is backed by the full faith and credit of the State where such guaranty agency is the primary guarantor.

"(H) The Secretary shall not take any action under subparagraph (F) without giving the guaranty agency notice and the opportunity for a hearing."

(4) in subsection (f)—

(A) in paragraph (1)—

(i) in clause (i) of subparagraph (A), by striking "commercial" and inserting "eligible"; and

(ii) in subparagraph (B)—

(I) in the first sentence thereof, by striking "The total" and inserting "Except as provided in paragraph (3), the total"; and

(II) in the second sentence thereof, by striking "according to the provisions of this subparagraph" and inserting "according to the provisions of this subsection"; and

(B) by adding at the end the following new paragraph:

"(3) PROVISION OF FINANCIAL INFORMATION.—The Secretary is authorized to reduce or withhold payments under this subsection until the guaranty agency provides the information required under subsection (c)(2)(B)."

(5) in subsection (j), by adding at the end the following: "The guaranty agency shall develop rules and operating procedures for the lender of last resort program designed to assure that—

"(A) the program establishes operating hours and means for application designed to facilitate application by students;

"(B) information about the availability of loans under the program is available to institutions of higher education in the State; and

"(C) appropriate steps are taken to assure that borrowers receiving loans under the program are appropriately counseled on their loan obligation.";

(6) in subsection (k)—

(A) by amending the heading for such subsection to read as follows:

"(k) EXCHANGE OF INFORMATION ON DEFAULTED BORROWERS.—"

(B) in paragraph (1), by striking "upon the request of an eligible institution,"; and

(C) by adding at the end the following new paragraph:

"(3) BORROWER LOCATION INFORMATION.—Any information provided by the institution relating to borrower location shall be used by the guaranty agency in contacting the borrower for the purpose of encouraging loan repayment."

#### SEC. 429. SUPPLEMENTAL LOAN FOR STUDENTS.

Section 428A of the Act (20 U.S.C. 1078-1) is amended—

(1) in the second sentence of paragraph (1) of subsection (a), by inserting "or if the financial aid administrator determines after such a review that the dependent student can demonstrate the ability to repay the loan (which may include obtaining a credit-worthy cosigner)" before the period at the end thereof;

(2) in subsection (b)—

(A) by amending paragraph (1) to read as follows:

"(1) ANNUAL LIMIT.—Subject to paragraphs (3) and (4), the maximum amount a student may borrow in any academic year or its equivalent (as defined by regulations issued by the Secretary), or in any period of 7 consecutive months, whichever is longer is:

"(A) In the case of a student at an eligible institution who has not successfully completed the second year of a program of undergraduate education—

"(i) \$4,000, if such student is carrying at least the normal full-time academic work load (as determined by the institution); or

"(ii) \$3,000, if such student is carrying three-quarters of the normal full-time academic work load (as determined by the institution); or

"(iii) \$2,000, if such student is carrying one-half of the normal full-time academic work load (as determined by the institution).

"(B) In the case of a student at an eligible institution who has successfully completed such second year but who has not successfully completed the remainder of a program of undergraduate education—

"(i) \$5,000, if such student is carrying at least the full-time academic work load (as determined by the institution);

"(ii) \$3,750, if such student is carrying three-quarters of the full-time academic work load (as determined by the institution); or

"(iii) \$2,500, if such student is carrying one-half of the full-time academic work load (as determined by the institution).

"(C) In the case of a graduate or professional student (as defined in regulations issued by the Secretary) at an eligible institution \$15,000.";

(B) by striking paragraph (2);

(C) by redesignating paragraphs (3) and (4) as paragraphs (4) and (5), respectively; and

(D) by inserting after paragraph (1) the following new paragraphs:

"(2) SPECIAL RULE.—Notwithstanding paragraphs (1), (3) and (4), in the case of a student who has not successfully completed the first year of a program of undergraduate education and who is not enrolled in a program that is at least 1 academic year in length as determined in accordance with regulations issued by the Secretary, the maximum amount a student may borrow in any academic year or its equivalent (as defined by regulations issued by the Secretary), or in any period of 7 consecutive months, whichever is longer, is—

"(A) \$2,500 for a student who is determined, in accordance with such regulations, to be enrolled in a program whose length is at least two-thirds of an academic year;

"(B) \$1,500 for a student who is determined, in accordance with such regulations, to be enrolled in a program whose length is less than two-thirds, but at least one-half, of an academic year; and

"(C) zero for a student who is determined, in accordance with such regulations, to be enrolled in a program whose length is less than one-half of an academic year.

"(3) AGGREGATE LIMIT.—The aggregate insured principal amount for insured loans made to any student under this section (excluding any loans made under section 428B) minus any interest capitalized under subsection (c) shall be an amount not to exceed—

"(A) \$23,000, in the case of any student who has not successfully completed a program of undergraduate education; and

"(B) \$30,000, in the case of any graduate or professional student, as such terms are defined by regulations issued by the Secretary, including any loans which are insured by the Secretary under this section, or by a guaranty agency, made to such student before the student became a graduate or professional student;

except that the aggregate insured unpaid principal amount for all loans insured under this part and part E minus any interest capitalized under subsection (c) made to any student shall be any amount not to exceed a maximum of \$52,000, in the case of any student who has not successfully completed a program of undergraduate education, and \$115,000, in the case of any graduate or professional student, as such terms are defined in regulations issued by the Secretary, including any loans which are insured by the Secretary under this part or part E, or by a guaranty agency, made to such student before the student became a graduate or professional student.";

(3) in subsection (c)—

(A) by amending paragraph (1) to read as follows:

"(1) COMMENCEMENT OF REPAYMENT.—(A) Except as provided in subparagraph (B), repayment of principal on loans made under this section shall commence not later than 60 days after the date such loan is disbursed by the lender, or, if the loan is disbursed in multiple installments, not later than 60 days after the disbursement of the last such installment.

"(B) Loans made under this section may be subject to deferral pursuant to sections 427(a)(2)(C) and 428(b)(1)(M), and any loans



which are deferred under section 427(a)(2)(C)(i) or 428(b)(1)(M)(i), may be subject, upon borrower request, to a single postdeferment grace period of 6 months."

(B) in subparagraph (B) of paragraph (2), by striking "on a quarterly basis" and inserting "not more frequently than quarterly"; and

(C) by adding at the end the following new paragraph:

"(6) REPAYMENT PERIOD.—For purposes of calculating the 10-year repayment period under section 428(b)(1)(D), such period shall commence at the time the first payment is due from the borrower."

#### SEC. 430. PLUS LOANS.

Section 428B of the Act (20 U.S.C. 1078-2) is amended—

(1) in subsection (b)—

(A) in paragraph (1), by striking "\$4,000" and inserting "\$6,000"; and

(B) in paragraph (2), by striking "\$20,000" and inserting "\$30,000"; and

(2) in subsection (c)—

(A) by amending paragraph (1) to read as follows:

"(1) COMMENCEMENT OF REPAYMENT.—Repayment of principal on loans made under this section shall commence not later than 60 days after the date such loan is disbursed by the lender, subject to deferral during any period during which the parent meets the conditions required for a deferral under section 427(a)(2)(C) or 428(b)(1)(M)."; and

(B) in subparagraph (B) of paragraph (2), by striking "on a quarterly basis" and inserting "not more frequently than quarterly".

#### SEC. 431. CONSOLIDATION LOANS.

Section 428C of the Act (20 U.S.C. 1078-3) is amended—

(1) in paragraph (3) of subsection (a)—

(A) by amending subparagraph (B) to read as follows:

"(B) An individual's status as an eligible borrower under this section terminates upon receipt of a consolidation loan under this section, except—

"(i) with respect to eligible student loans received after the date of receipt of the consolidation loan; and

"(ii) that loans received prior to the date of the consolidation loan may be added to the consolidation loan during the 180-day period following the making of the consolidation loan."; and

(B) by adding at the end the following new subparagraph:

"(C)(i) A married couple, each of whom has eligible student loans, may be treated as if such couple were an individual borrowing under subparagraphs (A) and (B) if such couple agrees to be held jointly and severally liable for the repayment of a consolidation loan, without regard to the amounts of the respective loan obligations that are to be consolidated, and without regard to any subsequent change that may occur in such couple's marital status.

"(ii) Only one spouse in a married couple applying for a consolidation loan under this subparagraph need meet any of the requirements of subsection (b) of this section, except that each spouse shall—

"(I) individually make the initial certification that no other application is pending in accordance with subsection (b)(1)(A); and

"(II) agree to notify the holder concerning any change of address in accordance with subsection (b)(4)."; and

(2) in subparagraph (A) of subsection (c)(2)—

(A) in clause (i), by striking "is equal to or greater than \$5,000 but less than \$7,500" and inserting "is less than \$5,000"; and

(B) in clause (ii), by striking "\$7,500" and inserting "\$5,000".

#### SEC. 432. DEFAULT REDUCTION PROGRAMS.

Section 428F of the Act (20 U.S.C. 1078-6) is amended by adding at the end the following new subsection:

"(c) FULL-TIME LOAN SPECIALIST REQUIRED IN CERTAIN CASES.—Each eligible institution which—

"(1) has a default rate in excess of the national average default rate of all eligible institutions; or

"(2) has a principal amount of loans in default in excess of \$1,000,000 for any fiscal year, shall employ a full-time equivalent loan specialist to assist students at such eligible institution to avoid defaulting on loans made, insured, or guaranteed under this part."

#### SEC. 433. REQUIREMENTS FOR DISBURSEMENT OF STUDENT LOANS.

Section 428G of the Act (20 U.S.C. 1078-7) is amended—

(1) in paragraph (1) of subsection (b), by adding at the end thereof the following: "No institution shall impose a late fee, drop from enrollment or otherwise penalize any student solely because an installment of the proceeds of such student's loan under this part is being delayed pursuant to the provisions of this paragraph."; and

(2) by adding at the end thereof the following new subsection:

"(g) SALES PRIOR TO DISBURSEMENT PROHIBITED.—An eligible lender shall not sell a promissory note for any loan made, insured, or guaranteed under this part until all proceeds of such loan have been disbursed."

#### SEC. 434. DEFAULT OF STUDENT UNDER FEDERAL LOAN INSURANCE PROGRAM.

Section 430 of the Act (20 U.S.C. 1080) is amended by adding at the end the following new subsection:

"(e) DEFAULT RATE BY LENDER AND GUARANTY AGENCY.—

"(1) IN GENERAL.—The Secretary shall annually publish a list indicating the annual default rate (determined in accordance with section 435(m)) for each lender and guaranty agency participating in the program assisted under this part and an average annual default rate for all institutions of higher education within each State.

"(2) REGULATIONS.—The Secretary shall prescribe regulations designed to prevent an institution from evading the application to that institution of an annual default rate through the use of such measures as branching, consolidation, change of ownership or control, or any similar device.

"(3) RATE ESTABLISHMENT AND CORRECTION.—

"(A) IN GENERAL.—The Secretary shall establish an annual default rate for lenders and guaranty agencies (determined in accordance with section 435(m)), except that the rate for lenders shall not reflect any loans issued in accordance with section 428(f). The Secretary shall allow institutions, lenders, and guaranty agencies the opportunity to correct such annual default rate information.

"(B) STUDY.—The Secretary shall study the feasibility of requiring the disclosure by institutions, lenders, and guaranty agencies of additional information that may affect the annual default rate, such as institutional type, State, students served by the organization, and accrediting body (where applicable)."

#### SEC. 435. REPORTS TO CREDIT BUREAUS AND INSTITUTIONS OF HIGHER EDUCATION.

Subsection (f) of section 430A of the Act (20 U.S.C. 1080a(f)) is amended—

(1) by striking "or" at the end of paragraph (1);

(2) by striking the period at the end of paragraph (2) and inserting a comma and "or"; and

(3) by adding at the end the following new paragraph:

"(3) in the case of a borrower who reenters repayment after defaulting on a loan and subsequently goes into default on such loan a second time, 7 years from the date the loan entered default the second time."

#### SEC. 436. LEGAL POWERS AND RESPONSIBILITIES.

Section 432 of the Act (20 U.S.C. 1082) is amended—

(1) in subsection (g)—

(A) by striking paragraphs (2), (3) and (4); and

(B) by redesignating paragraphs (5) and (6) as paragraphs (2) and (3), respectively;

(2) in subsection (h)—

(A) in paragraph (2)—

(i) in the second sentence of subparagraph (A), by striking all beginning with "The Secretary" through "disqualification—" and inserting the following: "The Secretary shall impose any or all sanctions imposed by the guaranty agency on the participation of the lender in the student loan insurance program of each of the guaranty agencies under this part, and shall notify such guaranty agencies of the imposition of such sanctions—";

(ii) in subparagraph (B), by striking "disqualification" each place such term appears and inserting "sanction";

(iii) by redesignating subparagraph (B) (as amended in clause (ii)) as subparagraph (C); and

(iv) by inserting after subparagraph (A) the following new subparagraph:

"(B) The Secretary's review under this paragraph of the limitation, suspension, or termination imposed by a guaranty agency pursuant to section 428(b)(1)(U) shall be limited to—

"(i) a review of the written record of the proceedings in which the guaranty agency imposed such sanctions; and

"(ii) a determination as to whether the guaranty agency complied with section 428(b)(1)(U) and any notice and hearing requirements specified in regulations prescribed under this part."; and

(B) in paragraph (3)—

(i) in the second sentence of subparagraph (A), by striking "The Secretary" through "disqualification—" and inserting the following: "The Secretary shall impose any or all sanctions imposed by the guaranty agency on the participation of the institution in the student loan insurance program of each of the guaranty agencies under this part, and shall notify such guaranty agencies of the imposition of such sanctions—";

(ii) in subparagraph (B), by striking "disqualification" each place such term appears and inserting "sanction";

(iii) by redesignating subparagraph (B) (as amended in clause (ii)) as subparagraph (C); and

(iv) by inserting after subparagraph (A) the following new subparagraph:

"(B) The Secretary's review under this paragraph of the limitation, suspension, or termination imposed by a guaranty agency pursuant to section 428(b)(1)(T) shall be limited to—

"(i) a review of the written record of the proceedings in which the guaranty agency imposed such sanctions; and

"(ii) a determination as to whether the guaranty agency complied with section 428(b)(1)(T) and any notice and hearing requirements specified in regulations prescribed under this part."; and

(3) by inserting at the end the following new subsections:

"(k) PROGRAM OF ASSISTANCE FOR BORROWERS.—

"(1) IN GENERAL.—The Secretary shall undertake a program to encourage corporations and other private and public employers, including the Federal Government, to assist borrowers in

repaying loans received under this title, including providing employers with options for payroll deduction of loan payments and offering loan repayment matching provisions as part of employee benefit packages.

"(2) **PUBLICATION.**—The Secretary shall publicize models for providing the repayment assistance described in paragraph (1) and each year select entities that deserve recognition, through means devised by the Secretary, for the development of innovative plans for providing such assistance to employees.

"(3) **RECOMMENDATION.**—Within 1 year after the date of enactment of the Higher Education Amendments of 1991, the Secretary shall recommend to the appropriate committees in the Senate and House of Representatives changes to the tax code or other statutes that could be made in order to further encourage such efforts.

"(1) **UNIFORM ADMINISTRATIVE AND CLAIMS PROCEDURES.**—

"(1) **IN GENERAL.**—The Secretary shall, in consultation with guaranty agencies and lenders, develop standardized forms and procedures regarding—

- "(A) origination;
- "(B) guaranty;
- "(C) deferments;
- "(D) forbearance;
- "(E) servicing;
- "(F) claims filing; and
- "(G) cures.

"(2) **SPECIAL RULE.**—The forms and procedures described in paragraph (1) shall include all aspects of the loan process as such process involves eligible lenders and guaranty agencies and shall be directed to minimize administrative costs and burdens (other than the costs and burdens involved in the transition to new forms and procedures) involved in exchanges of data to and from borrowers, schools, lenders, secondary markets, and the Department."

#### SEC. 437. STUDENT LOAN INFORMATION BY ELIGIBLE LENDERS.

Section 433 of the Act (20 U.S.C. 1083) is amended—

(1) in subsection (a)—

(A) by redesignating paragraphs (1) through (13) as paragraphs (2) through (14), respectively;

(B) by inserting before paragraph (2) (as redesignated in subparagraph (A)) the following new paragraph:

"(1) a statement prominently and clearly displayed and in bold print that the borrower is receiving a loan that must be repaid;"

(C) in paragraph (13) (as redesignated in subparagraph (A)) by striking "and" after the semicolon;

(D) in paragraph (14) (as redesignated in subparagraph (A)) by striking the period and inserting a semicolon and "and"; and

(E) by inserting at the end thereof the following new paragraph:

"(15) a statement that the borrower's loan repayment obligation is separate and distinct from the school's obligation to the borrower and that a failure by the school to comply with any Federal, State, or local law shall not excuse any portion of the borrower's obligation to repay the loan.";

(2) in subsection (b)—

(A) in the matter preceding paragraph (1), by inserting after the first sentence thereof the following new sentence: "Any disclosure required by this subsection shall be made during the grace period described in section 427(a)(2)(B)."; and

(B) in paragraph (8), by inserting "except as provided in subsection (e)," before "the projected"; and

(3) by inserting at the end thereof the following new subsection:

"(e) **SPECIAL DISCLOSURE RULES ON SLS LOANS.**—Loans made under section 428A shall

not be subject to the disclosure of projected monthly payment amounts required under subsection (b)(8), if the lender, in lieu of such disclosure, provides the borrower with sample projections of monthly repayment amounts assuming different levels of borrowing and interest accruals resulting from capitalization of interest while the borrower is in school. Such sample projections shall disclose the cost to the student of capitalizing—

- "(1) principal and interest; and
- "(2) interest only."

#### SEC. 438. DEFINITIONS FOR STUDENT LOAN INSURANCE PROGRAM.

(a) **IN GENERAL.**—Section 435 of the Act (20 U.S.C. 1085) is amended—

(1) in subsection (a)—

(A) in paragraph (1)—

(i) in subparagraph (A), by inserting "as defined in section 481(a)" before the semicolon;

(ii) in subparagraph (C), by striking "part," and inserting "part."; and

(iii) by striking the matter following subparagraph (C); and

(B) in subparagraph (B) of paragraph (3)—

(i) in clause (i), by striking "and" at the end thereof;

(ii) in clause (ii), by striking "any succeeding fiscal year," and inserting "fiscal year 1993; and"; and

(iii) by inserting at the end the following new clause:

"(iii) 25 percent for any succeeding fiscal year.";

(2) by striking subsection (b);

(3) in subsection (c)—

(A) in paragraph (3), by striking "and" and the end thereof;

(B) by striking the period at the end of paragraph (4) and inserting a semicolon and "and"; and

(C) inserting before the matter following subparagraph (C) of paragraph (4) the following new paragraph:

"(5) offers to individuals receiving assistance under this title only programs that are eligible programs as described in section 481(f).";

(4) in subsection (f), by inserting "servicing and" before "collection practices"; and

(5) by amending subsection (m) to read as follows:

"(m) **ANNUAL DEFAULT RATE.**—

"(1) **IN GENERAL.**—Except as provided in paragraph (5), the term 'annual default rate' means, for any fiscal year in which 30 or more current and former students at the institution enter repayment on loans under section 428 or 428A received for attendance at the institution, the percentage of students and former students who enter repayment on such loans received for attendance at that institution in that fiscal year who default before the end of the following fiscal year. In determining the number of students who default before the end of such fiscal year, the Secretary shall include only loans for which the Secretary or a guaranty agency has paid claims for insurance, and, in calculating the annual default rate, exclude any loans which, due to improper servicing or collection, would result in an inaccurate or incomplete calculation of the annual default rate. For any fiscal year in which less than 30 of the institution's current and former students enter repayment, the term 'annual default rate' means the average of the rate calculated under the preceding sentence for the 3 most recent fiscal years.

"(2) **SPECIAL RULES.**—(A) In the case of a student who has attended and borrowed at more than 1 school, the student (and such student's subsequent repayment or default) is attributed to each school for attendance at which the student received a loan that entered repayment in the fiscal year.

"(B) A loan on which a payment is made by the school, such school's owner, agent, contrac-

tor, employee, or any other entity or individual affiliated with such school, in order to avoid default by the borrower, is considered as in default for purposes of this subsection.

"(C) Any loan which has been rehabilitated is not considered as in default for the purposes of this subsection.

"(D) For the purposes of this subsection, a loan made in accordance with section 428A shall not be considered to enter repayment until after the borrower has ceased to be enrolled in a course of study leading to a degree or certificate at an eligible institution on at least a half-time basis (as determined by the institution) and ceased to be in a period of deferment based on such enrollment. Each eligible lender of a loan made under section 428A shall provide the guaranty agency with the information necessary to determine when the loan entered repayment for purposes of this subsection, and the guaranty agency shall provide such information to the Secretary."

(b) **CONFORMING AMENDMENTS.**—

(1) **REQUIREMENTS FOR DISBURSEMENT OF STUDENT LOANS.**—Paragraph (2) of section 428A(a) of the Act (20 U.S.C. 1078-1(a)(2)) is amended by striking "cohort" each place such term appears and inserting "annual".

(2) **DEFINITION.**—Subparagraph (A) of section 435(a)(3) (20 U.S.C. 1085(a)(3)(A)) is amended—

(A) in the first sentence thereof, by striking "cohort" and inserting "annual"; and

(B) in clause (i) by striking "cohort" each place such term appears and inserting "annual".

#### SEC. 439. REPAYMENT BY THE SECRETARY OF LOANS OF BANKRUPT, DECEASED OR DISABLED BORROWERS.

Section 437 of the Act (20 U.S.C. 1087) is amended to read as follows:

"SEC. 437. REPAYMENT BY THE SECRETARY OF LOANS OF BANKRUPT, DECEASED, OR DISABLED BORROWERS; TREATMENT OF BORROWERS ATTENDING CLOSED SCHOOLS OR BORROWERS FALSELY CERTIFIED AS ELIGIBLE TO BORROW.

"(a) **IN GENERAL.**—If a student borrower who has received a loan described in subparagraph (A) or (B) of section 428(a)(1) dies, becomes permanently and totally disabled (as determined in accordance with regulations of the Secretary), or is temporarily or permanently relieved of his obligation to repay such loan according to the repayment schedule, through an action in bankruptcy, then the Secretary shall discharge the borrower's liability on the loan by repaying the amount owed on the loan.

"(b) **DISCHARGE.**—

"(1) **IN GENERAL.**—If a student borrower who received a loan described in subparagraph (A) or (B) of section 428(a)(1) on or after January 1, 1986, is unable to complete the program in which the borrower is enrolled due to the closure of the institution or if such student's eligibility to borrow under this part was fraudulently certified by the eligible institution, then the Secretary shall discharge the borrower's liability on the loan by repaying the amount owed on the loan and shall pursue any claim available to such borrower against the institution.

"(2) **ASSIGNMENT.**—A borrower whose loan has been discharged pursuant to this subsection shall be deemed to have assigned to the United States the right to a loan refund up to the amount discharged against the institution, its affiliates, and principals.

"(3) **ELIGIBILITY FOR ADDITIONAL ASSISTANCE.**—The period of a student's attendance at an institution at which the student was unable to complete a course of study due to the closing of the institution shall not be considered for purposes of calculating the student's period of eligibility for additional assistance under this title.



"(4) SPECIAL RULE.—A borrower whose loan has been discharged pursuant to this subsection shall not be precluded from receiving additional grants, loans, or work assistance under this title for which the borrower would be otherwise eligible."

"(5) REPORTING.—The Secretary shall report to credit bureaus with respect to loans which have been discharged pursuant to this subsection."

#### SEC. 440. SPECIAL ALLOWANCES.

Section 438 of the Act (20 U.S.C. 1087-1) is amended—

- (1) in paragraph (2) of subsection (b)—
  - (A) in subparagraph (A)—
    - (i) in the matter preceding clause (i), by striking "and (D)" and inserting "(D), (E), and (F)"; and
    - (ii) in clause (iii), by striking "3.25" and inserting "3.10";
  - (B) in clause (i) of subparagraph (B), by striking "3.25" and inserting "3.10";
  - (C) in subparagraph (C)—
    - (i) by inserting "before July 1, 1993" after "made";
    - (ii) by inserting "(i)" before "In"; and
    - (iii) by adding at the end the following new clause:

"(ii) In the case of loans made on or after July 1, 1993 pursuant to section 428, 428A or 428B for which the interest rate is determined under section 428(f)(1)(B) or 427A(c)(4), a special allowance shall not be paid unless the rate determined for any 12-month period under section 428(f)(1)(B)(ii) or 427A(c)(4)(B) exceeds 11 percent."

(D) in clause (i) of subparagraph (D), by striking "3.25" and inserting "3.10"; and  
(E) by adding at the end thereof the following new subparagraphs:

"(E) In the case of a holder of loans for which the annual default rate exceeds 25 percent, subparagraph (A)(iii) shall be applied by substituting '3 percent' for '3.10 percent'."

"(F) In the case of a lender who does not provide to the guaranty agency the information required under section 435(m)(2)(D), subparagraph (A)(iii) shall be applied by substituting '3 percent' for '3.10 percent'."

(2) by adding at the end of subsection (c) the following new paragraphs:

"(6) SLS AND PLUS LOANS.—With respect to any loan made under section 428A or 428B on or after July 1, 1992, each eligible lender under this part shall charge the borrower an origination fee of 5 percent of the principal amount of the loan, to be deducted proportionately from each installment payment of the proceeds of the loan prior to payment to the borrower."

"(7) DISTRIBUTION OF ORIGINATION FEES.—All origination fees collected by this section on loans authorized under section 428A or 428B shall be deposited in the fund authorized under section 431 of this part." and

(3) in subparagraph (C) of subsection (d)(2), by striking "premium or".

#### SEC. 441. STUDENT LOAN MARKETING ASSOCIATION.

Section 439 of the Act (20 U.S.C. 1087-2) is amended—

(1) by amending subsection (c) to read as follows:

"(c) BOARD OF DIRECTORS.—  
"(1) COMPOSITION OF BOARD; CHAIRMAN.—(A) The Association shall have a Board of Directors which shall consist of 21 persons, 7 of whom shall be appointed by the President and shall be representative of the general public. The remaining 14 directors shall be elected by the common stockholders of the Association entitled to vote pursuant to subsection (f). Commencing with the annual shareholders meeting to be held in 1992—

"(i) 7 of the elected directors shall be affiliated with an eligible institution; and

"(ii) 7 of the elected directors shall be affiliated with an eligible lender."

"(B) The President shall designate 1 of the directors to serve as Chairman."

"(2) TERMS OF APPOINTED AND ELECTED MEMBERS.—The directors appointed by the President shall serve at the pleasure of the President and until their successors have been appointed and have qualified. The remaining directors shall each be elected for a term ending on the date of the next annual meeting of the common stockholders of the Association, and shall serve until their successors have been elected and have qualified. Any appointive seat on the Board of Directors which becomes vacant shall be filled by appointment of the President. Any elective seat on the Board of Directors which becomes vacant after the annual election of the directors shall be filled by the Board of Directors, but only for the expired portion of the term."

"(3) AFFILIATED MEMBERS.—For the purpose of this subsection, the references to a director 'affiliated with an eligible institution' or a director 'affiliated with an eligible lender' means an individual who is, or within 5 years of election to the Board of Directors has been, an employee, officer, director, or similar official of—

"(A) an eligible institution or an eligible lender;

"(B) an association whose members consist primarily of eligible institutions or eligible lenders; or

"(C) a State agency, authority instrumental, commission, or similar institution, the primary purpose of which relates to educational matters or banking matters."

"(4) MEETINGS AND FUNCTIONS OF THE BOARD.—The Board of Directors shall meet at the call of its Chairman, but at least semiannually. The Board of Directors shall determine the general policies which shall govern the operations of the Association. The Chairman of the Board of Directors shall, with the approval of the Board of Directors, select, appoint, and compensate qualified persons to fill the offices as may be provided for in the bylaws, with such functions, powers, and duties as may be prescribed by the bylaws or by the Board of Directors, and such persons shall be the officers of the Association and shall discharge all such functions, powers, and duties."

(2) in subparagraph (C) of subsection (d)(1), by striking all beginning with "refinancing the construction" through the semicolon at the end thereof and inserting "refinancing—

"(1) the construction or reconstruction of academic, research, and library facilities and equipment;

"(2) the improvement, renovation, and repair of academic, research, and library facilities, equipment and instrumentation;

"(3) the improvement (including acquisition) of academic, research, and library instrumentation and equipment;

"(4) the improvement (including acquisition) of library books and materials; and

"(5) the purchase of academic, research, and library facilities (including underlying real property)";

(3) by amending subsection (f) to read as follows:

"(f) STOCK OF THE ASSOCIATION.—

"(1) VOTING COMMON STOCK.—The Association shall have voting common stock having such par value as may be fixed by its Board of Directors from time to time. Each share of voting common stock shall be entitled to one vote with rights of cumulative voting at all elections of directors."

"(2) NUMBER OF SHARES; TRANSFERABILITY.—The maximum number of shares of voting common stock that the Association may issue and have outstanding at any one time shall be fixed by the Board of Directors from time to time. Any voting common stock issued shall be fully trans-

ferable, except that, as to the Association, it shall be transferred only on the books of the Association."

"(3) DIVIDENDS.—To the extent that net income is earned and realized, subject to subsection (g)(2), dividends may be declared on voting common stock by the Board of Directors. Such dividends as may be declared by the Board of Directors shall be paid to the holders of outstanding shares of voting common stock, except that no such dividends shall be payable with respect to any share which has been called for redemption past the effective date of such call."

"(4) SINGLE CLASS OF VOTING COMMON STOCK.—As of the effective date of the Higher Education Amendments of 1991, all of the previously authorized shares of voting common stock and nonvoting common stock of the Association shall be converted to shares of a single class of voting common stock on a share-for-share basis, without any further action on the part of the Association or any holder. Each outstanding certificate for voting or nonvoting common stock shall evidence ownership of the same number of shares of voting stock into which it is converted. All preexisting rights and obligations with respect to any class of common stock of the Association shall be deemed to be rights and obligations with respect to such converted shares." and

(4) by adding at the end thereof the following new subsection:

"(r) SAFETY AND SOUNDNESS OF ASSOCIATION.—

"(1) REPORTS BY THE ASSOCIATION.—The Association shall promptly furnish to the Secretary copies of all—

"(A) periodic financial reports publicly distributed by the Association; and

"(B) reports concerning the Association that are received by the Association and prepared by nationally recognized statistical rating organizations."

"(2) AUDIT BY SECRETARY.—(A) The Secretary may—

"(i) appoint auditors to conduct audits of the Association from time to time to determine the condition of the Association for the purpose of assessing its financial safety and soundness;

"(ii) enter into contracts to obtain the services of such technical experts as the Secretary determines necessary and appropriate to provide technical assistance to any auditor appointed under subparagraph (A)."

"(B) Each auditor appointed under paragraph (2)(A) shall conduct an audit of the Association to the extent requested by the Secretary and shall prepare and submit a report to the Secretary concerning the results of such audit. A copy of such report shall be furnished to the Association and the Secretary of Education on the date on which it is delivered to the Secretary."

"(3) MONITORING OF SAFETY AND SOUNDNESS.—The Secretary shall conduct such studies as may be necessary to monitor the financial safety and soundness of the Association. In the event that the Secretary determines that the financial safety and soundness of the Association is at risk, the Secretary shall inform the Chairman and ranking minority member of the Committee on Labor and Human Resources of the Senate, the Chairman and ranking minority member of the Committee on Education and Labor of the House of Representatives and the Secretary of Education of such determination and identify any corrective actions that should be taken to ensure the safety and soundness of the Association."

"(4) CAPITAL RESTORATION PLAN.—If after an audit it is determined that the capital ratio of the Association is less than 2 percent in any two consecutive calendar quarters, the Association shall, not later than 60 days after the date of

such determination, submit to the Secretary a capital restoration plan (including a timetable for the implementation of such capital restoration plan of not more than 36 months) that the Association has determined will be adequate to cause the capital ratio of the Association to equal or exceed 2 percent.

"(5) **ASSOCIATION CAPITAL RESTORATION PLAN.**—(A) The Secretary shall consult with the Association with respect to any capital restoration plan submitted under paragraph (4) and shall approve or disapprove such capital restoration plan (or a modification thereof that is accepted by the Association) not later than 30 days after the date on which such capital restoration plan is first submitted to the Secretary, except that the Association and the Secretary may mutually agree to a longer period for the consideration of such capital restoration plan.

"(B) If the Secretary approves a capital restoration plan submitted under paragraph (4), the Association shall implement such capital restoration plan.

"(C) If the Secretary disapproves of a capital restoration plan submitted under paragraph (4), the Secretary shall, not later than the date on which the Secretary disapproves of such capital restoration plan through the provision of written notice to the Association or the date on which the 30 day consideration period referred to in subparagraph (A) (as such period may have been extended by mutual agreement) expires, whichever is earlier, submit the capital restoration plan of the Association, in the form most recently proposed by the Association, together with a report containing the reasons for the Secretary's disapproval of such capital restoration plan and an alternative capital restoration plan to the Chairman and ranking minority member of the Committee on Labor and Human Resources of the Senate and to the Chairman and ranking minority member of the Committee on Education and Labor of the House of Representatives. A copy of such capital restoration plan and report shall simultaneously be transmitted to the Association and the Secretary of Education by the Secretary.

"(D) Upon receipt from the Secretary of a capital restoration plan and report under subparagraph (C), the Association shall proceed with diligence to implement such capital restoration plan. Not later than 30 days after the receipt of such capital restoration plan and report, the Association shall submit to the Chairman and ranking minority members referred to in subparagraph (C), a written response to such capital restoration plan and report setting out to the maximum extent feasible the nature and extent of the agreement or the disagreement of the Association with the Secretary with respect to the capital restoration plan submitted to the Secretary and any findings of the Secretary.

"(E) If the Secretary determines that the Association has failed to make a good faith effort to implement a capital restoration plan under this paragraph, the Association shall be prohibited from making advances on the security of, purchasing or repurchasing, selling or reselling, offering participations or pooled interests or otherwise dealing in student loans which are insured by the Secretary of Education under this part or by a guaranty agency. The Association may, within 30 days after a determination by the Secretary under this subparagraph, file a petition with the United States Court of Appeals for the District of Columbia Circuit for review of such determination.

"(6) **REVIEW BY CONGRESS.**—Congress shall have 60 days after the date on which Congress receives material under this subsection from the Secretary of Education, the General Accounting Office or the Congressional Budget Office, to review such material. If Congress does not take statutory action with respect to any such mate-

rial within such 60-day period, the capital restoration plan of the Secretary under paragraph (5)(C) shall take effect. If Congress is out of session when any such materials are received, such 60-day period shall begin on the first day of the next session of Congress.

"(7) **CRITICAL CAPITAL STANDARD.**—(A) If the capital ratio described in paragraph (4) is less than 1 percent at the end of the most recent calendar quarter of the Association and—

"(i) the Association has submitted a capital restoration plan to the Secretary pursuant to paragraph (4), the Association shall implement the most recently proposed capital restoration plan with such modifications (including a timetable for the implementation of such plan of not more than 60 months) as the Secretary determines are necessary to cause such capital ratio to equal or exceed 2 percent; or

"(ii) the Association has not submitted a capital restoration plan to the Secretary pursuant to paragraph (4), the Association shall, not later than 14 days after the determination of such capital ratio, submit a capital restoration plan (including a timetable for the implementation of such plan of not more than 60 months) to the Secretary that the Association determines is adequate to cause such capital ratio to equal or exceed 2 percent and proceed with diligence to implement such capital restoration plan with such modifications as the Secretary determines are necessary to cause such capital ratio to equal or exceed 2 percent.

"(B) Immediately upon a determination under clause (i) or (ii) of subparagraph (A) to implement a capital restoration plan, the Secretary shall submit the capital restoration plan to be implemented to the Chairman and ranking minority member of the Committee on Labor and Human Resources of the Senate, the Chairman and ranking minority member of the Committee on Education and Labor of the House of Representatives and the Secretary of Education.

"(8) **ADDITIONAL REPORTS.**—(A) The Secretary shall submit a copy of the Association's capital restoration plan in the form most recently submitted by the Association, including modifications of such capital restoration plan that are proposed by the Secretary, to the Congressional Budget Office and the General Accounting Office on the date on which such capital restoration plan or modifications are submitted to or received from the Secretary.

"(B) Notwithstanding any other provision of law, the Congressional Budget Office and the General Accounting Office shall maintain the confidentiality of information received under subparagraph (A). If the Secretary does not approve a capital restoration plan as provided for in paragraph (5), or if a capital restoration plan is modified by the Secretary pursuant to paragraph (6)—

"(i) the Congressional Budget Office and the General Accounting Office shall each, not later than 30 days after the date on which the Secretary makes the submission to the Chairman and ranking minority members as required in paragraphs (5) and (6), prepare and submit a report to such Chairmen and ranking members that—

"(I) analyzes the financial condition of the Association;

"(II) analyzes the capital restoration plan and reasons for its disapproval, as contained in the Secretary's submission made pursuant to paragraph (5), or the capital restoration plan proposed by the Association and the modifications made by the Secretary pursuant to paragraph (6);

"(III) analyzes the impact of the capital restoration plan and reasons for its disapproval, as contained in the Secretary's submission made pursuant to paragraph (5), or the impact of the capital restoration plan proposed by the Asso-

ciation and the modifications made by the Secretary pursuant to paragraph (7), and the impact of the recommendations made pursuant to clause (IV), on—

"(aa) the ability of the Association to fulfill its purpose and authorized activities as provided for in this section; and

"(bb) the operation of the student loan programs; and

"(IV) recommends steps that the Association should take to increase its capital ratio without impairing the ability of the Association to perform its purpose and authorized activities as provided for in this section; and

"(ii) the Secretary of Education shall review the Secretary's submission required under paragraph (5) or (7) and shall, not later than 30 days after the date of such submission, submit a report to the Chairman and ranking minority member of the Committee on Labor and Human Resources of the Senate and to the Chairman and ranking minority member of the Committee on Education and Labor of the House of Representatives that—

"(I) describes any administrative or legislative provisions governing the student loan programs that contributed to the decline in the Association's capital ratio; and

"(II) recommend administrative and legislative changes in the student loan programs appropriate to maintain the orderly operation of such programs and to enable the Association to fulfill its purpose and authorized activities consistent with the capital ratio described in paragraph (4).

"(9) **SAFE HARBOR.**—The Association shall be considered to be in compliance with the capital ratios described in paragraphs (4) and (7) if the Association is rated in the highest or next highest full rating categories by two nationally recognized statistical rating organizations without regard to the Association's status as a federally chartered corporation.

"(10) **CONFIDENTIALITY OF RELEVANT INFORMATION.**—(A) For purposes of this subsection, the Secretary, the Secretary of Education, the Director of the Congressional Budget Office, and the Comptroller General shall determine and maintain the confidentiality of any book, record, or information made available by the Association under this subsection in a manner consistent with the level of confidentiality established for the material by the Association.

"(B) Section 552 of title 5, United States Code, shall not apply to the Department of the Treasury and the Department with respect to any book, record, or information made available and determined to be confidential under this subsection.

"(C) Any officer or employee of the Department of the Treasury shall be subject to the penalties set forth in section 1906 of title 18, United States Code, if—

"(i) by virtue of his or her employment or official position, he or she has possession of or access to any book, record, or information made available under and determined to be confidential under this section; and

"(ii) he or she discloses the material in any manner other than—

"(I) to any officer or employee of the Department of the Treasury; or

"(II) pursuant to the exception set forth in such section 1906 of such title.

"(D) Section 203 of the Congressional Budget Act of 1974, shall not apply to the Congressional Budget Office with respect to any book, record, or information made available under this subsection and determined by the Director of the Office to be confidential under subparagraph (A).

"(II) **DEFINITIONS.**—As used in this subsection:

"(A) The term 'capital ratio' means the ratio of total stockholders' equity, as determined



under the Association's most recent quarterly consolidated balance sheet prepared in the ordinary course of its business, to the sum of—

"(i) the total assets of the Association, as determined under a balance sheet prepared in the ordinary course of its business; and

"(ii) 50 percent of the credit equivalent amount of the following off-balance sheet items of the Association as of the date of the preparation of such balance sheet:

"(I) all financial standby letters of credit and other irrevocable guarantees of the repayment of financial obligations of others; and

"(II) all interest rate contracts and exchange rate contracts, including interest exchange agreements, floor, cap and collar agreements and similar arrangements.

For purposes of this subparagraph, the calculation of the credit equivalent amount of the items described in clause (ii), the netting of such items and eliminations for the purpose of avoidance of double-counting of such items shall be made in accordance with the measures for computing credit conversion factors for off-balance sheet items for capital maintenance purposes established for commercial banks from time to time by the Federal Reserve Board, but without regard to any risk-weighting provisions in such measures.

"(B) The term 'nationally recognized statistical rating organization' means any entity recognized as such by the Division of Market Regulation of the Securities and Exchange Commission for the purposes of net capital rules applicable to brokers.

"(C) The term 'Secretary' unless otherwise provided means the Secretary of the Treasury."

#### SEC. 442. AUTHORIZATION OF APPROPRIATIONS.

Section 441 of the Act (20 U.S.C. 2751(b)) is amended—

(1) in subsection (a), by inserting "and to encourage students receiving Federal student financial assistance to participate in community service activities that will benefit the Nation and engender in the students a sense of social responsibility and commitment to the community" before the period at the end thereof; and

(2) in subsection (b)—  
(A) by striking "\$656,000,000" and inserting "\$700,000,000";

(B) by striking "1987" and inserting "1993"; and

(C) by striking "4 succeeding" and inserting "6 succeeding"; and

(3) by adding at the end the following new subsection:

"(c) DEFINITION.—For the purpose of this subpart the term 'community service' means work in which students perform meaningful and constructive service in agencies, institutions, and situations where the application of human talent and dedication may help to meet human, educational, linguistic, and environmental community needs, especially such needs relating to poverty, including work in service opportunities or youth corps as defined in section 101 of the National and Community Service Act of 1990, and service in the agencies, institutions and activities designated in section 124(a) of the National and Community Service Act of 1990."

#### SEC. 443. ALLOCATION OF FUNDS.

Section 442 of the Act (20 U.S.C. 2752) is amended—

(1) in subsection (a), by adding at the end the following new paragraph:

"(4)(A) Notwithstanding any other provision of this section, the Secretary shall allocate an amount equal to not more than 10 percent of the amount by which the amount appropriated in any fiscal year to carry out this part exceeds \$700,000,000 among eligible institutions described in subparagraph (B).

"(B) In order to receive an allocation pursuant to subparagraph (A) an institution shall be

an eligible institution from which 50 percent or more of the Pell Grant recipients attending such eligible institution graduate or transfer to a 4-year institution of higher education."; and

(2) in subparagraph (A) of subsection (d)(2), by inserting "subdivided by full-time and part-time status" after "students";

#### SEC. 444. GRANTS FOR WORK-STUDY PROGRAMS.

Subsection (b) of section 443 of the Act (20 U.S.C. 2753) is amended—

(1) in the matter preceding subparagraph (A) of paragraph (1), by inserting "and in work in community service" after "itself";

(2) in subparagraph (A) of paragraph (2)—

(A) by striking "may use not to exceed" and inserting "shall use at least"; and

(B) by striking "at the increased Federal share specified in paragraph (5)(B) of this subsection";

(3) in paragraph (3), by inserting ", and except further that if the financial need of such less than full-time students at any institution exceeds 5 percent of the total financial need of all students at such institution, then at least 5 percent of the grant shall be made available to such less than full-time students" before the semicolon at the end thereof;

(4) in paragraph (4)—

(A) by inserting "need-based" after "derived from any"; and

(B) by striking "\$200" and inserting "\$300";

(5) by amending paragraph (5) to read as follows:

"(5) provide that the Federal share of the compensation of students employed in the work-study program in accordance with the agreement shall not exceed 75 percent for academic year 1992-1993 and succeeding academic years, except that the Federal share may exceed such percentage if the Secretary determines that the non-Federal share would cause financial hardship at an eligible institution and that such institution serves a large number or percentage of low-income or minority students";

(6) in paragraph (8)—

(A) in subparagraph (A), by inserting ", except as required in subparagraph (A) of paragraph (2)" before the semicolon at the end thereof; and

(B) in subparagraph (C)—

(i) by striking ", as determined by the Secretary pursuant to regulations" and inserting "that are directly related to the student's education"; and

(ii) by striking "and" at the end of subparagraph (C);

(7) by redesignating paragraph (9) as paragraph (10); and

(8) by inserting after paragraph (8) the following new paragraph:

"(9) provide assurances that the institution will inform all eligible students of the opportunity to perform community service work-study, and will consult with local nonprofit, governmental, and community-based organizations to identify such opportunities; and".

#### SEC. 445. JOB LOCATION AND DEVELOPMENT PROGRAMS.

Section 446 of the Act (20 U.S.C. 2756) is amended—

(1) in subparagraph (B) of subsection (a)(1)—

(A) by striking "10 percent or \$20,000" and inserting "15 percent or \$40,000"; and

(B) by striking "local"; and

(2) in subsection (c), by striking "local".

#### SEC. 446. WORK-LEARNING PROGRAM AND STUDENT MENTOR PILOT PROGRAM.

Part C of title IV of the Act (20 U.S.C. 2751 et seq.) is amended by adding at the end thereof the following new sections:

#### "SEC. 448. WORK-LEARNING PROGRAM.

"(a) PURPOSE.—It is the purpose of this section to recognize, encourage and promote the use of comprehensive work-learning programs as

a valuable educational approach when such approach is an integral part of an institution of higher education's educational program and a part of a student financial plan which decreases reliance on grants and loans.

"(b) PROGRAM AUTHORIZED.—Notwithstanding any other provision of law, a work-college may use funds provided under this part to carry out the activities described in subsection (d) in accordance with the provisions of this section.

"(c) MATCH REQUIRED.—Funds made available to work-colleges pursuant to this section shall be matched on a dollar-for-dollar basis from non-Federal sources.

"(d) ACTIVITIES AUTHORIZED.—Funds made available under this section may be used for—

"(1) providing assistance to pay the educational expenses of qualified students through self-help payments or credits provided under a comprehensive work-learning program;

"(2) promotion of a comprehensive work-learning program as a tool of postsecondary education, financial self-help and community service-learning opportunities;

"(3) activities described in section 446 or 447; and

"(4) the administration, development and assessment of comprehensive work-learning programs, including—

"(A) community-based work-learning alternatives that expand opportunities for community service and career-related work; and

"(B) alternatives that develop sound citizenship and personal values, encourage student persistence, and make optimum use of assistance under this part.

"(e) DEFINITIONS.—For the purpose of this section—

"(1) the term 'work-college' means an eligible institution that—

"(A) has been a public or private nonprofit institution with a commitment to community service; and

"(B) has operated a comprehensive work-learning program for at least 2 years;

"(C) requires all resident students who reside on campus to participate in a comprehensive work-learning program; and

"(D) provides students participating in the comprehensive work-learning program with the opportunity to contribute to their education and to the welfare of the community as a whole; and

"(2) the term 'comprehensive work-learning program' means a program that—

"(A) requires participation of all students residing on campus in order to enroll in and graduate from a work-college;

"(B) includes learning objectives, evaluation and a record of work performance as part of the student's college record;

"(C) provides programmatic leadership by work-college personnel at levels comparable to traditional academic programs;

"(D) recognizes the educational role of work-learning supervisors; and

"(E) includes consequences for nonperformance or failure in the comprehensive work-learning program similar to the consequences for failure in a regular academic program.

#### "SEC. 449. STUDENT MENTOR PILOT PROGRAM.

"(a) PURPOSE.—It is the purpose of this section to establish a pilot program to test the feasibility of using work-study funds to provide incentives to eligible youth attending institutions of higher education to encourage such students to engage in mentor activities for the benefit of such eligible youth who are at risk of dropping out of elementary or secondary school.

"(b) PROGRAM AUTHORIZED; AGREEMENTS.—

"(1) PROGRAM AUTHORIZED.—The Secretary is authorized to designate not less than 10 nor more than 100 institutions of higher education that may use a portion of their allocations under this part to establish a program in accordance with this section.

"(2) **AGREEMENT.**—In order to be eligible to participate in the program assisted under this part an institution of higher education shall enter into an agreement with the Secretary. Such agreement shall—

"(A) contain or be accompanied by such information and assurances as the Secretary may require by regulation;

"(B) specify the methods and rates of compensation of the mentors, which may include incentive bonuses based on the satisfactory academic progress of the eligible youth;

"(C) describe the methods to be used—

"(i) by the institution of higher education to identify and select suitable students to serve as mentors; and

"(ii) by elementary and secondary schools to identify and select eligible youth; and

"(D) provide that the eligible youth, such youth's teacher, and the mentor shall enter into an agreement that—

"(i) provides attainable goals for the eligible youth to pursue with the advice and assistance of the mentor; and

"(ii) identifies the stages at which progress toward such goals shall be evaluated.

"(c) **USE OF FUNDS.**—An institution of higher education with which the Secretary has an agreement under subsection (b)(2) may use funds provided under this part to pay students to engage in activities as mentors for an eligible youth to—

"(1) tutor the youth in subjects in which the youth is experiencing difficulty;

"(2) support the youth in educational and recreational activities;

"(3) counsel the youth on career and educational choices;

"(4) otherwise encourage the youth to stay in school, to develop the youth's aptitudes, and to follow the mentor student into a successful college and adult career; and

"(5) develop in the student a better self-awareness and a self-motivated desire to academically excel.

"(d) **EVALUATION AND REPORTS.**—Not later than 3 years after the enactment of this section, the Secretary shall submit to the Congress a report evaluating the program assisted under this section. Such report shall include such recommendations as the Secretary considers appropriate concerning such program, and may include proposals for legislative changes.

"(e) **DEFINITIONS.**—The term 'eligible youth' means an individual who is—

"(1) age 5 to 18, inclusive;

"(2) enrolled but failing to maintain satisfactory progress in an elementary or secondary school, as determined under the standards of such school; and

"(3) determined by a teacher or other qualified staff of such school to be likely to benefit from participation in the program assisted under this section."

#### SEC. 447. INCOME CONTINGENT DIRECT LOAN DEMONSTRATION PROGRAM.

(a) **REPEALER.**—Part D of title IV of the Act (20 U.S.C. 1087a et seq.) is repealed.

(b) **DISTRIBUTION OF ASSETS FROM FUND.**—

(1) **IN GENERAL.**—After September 30, 1992, and not later than March 31, 1992, the capital balance of the student loan fund established under part D of title IV of the Higher Education Act of 1965 (as such Act was in effect on the date of enactment of this Act) shall be distributed by allowing institutions to transfer any remaining funds, including future collections and all other funds at the institution's discretion, to such institution's part E account, part C fund, or subpart 1 of part A fund under the terms and conditions of the appropriate program.

(2) **CONVERSION OF EXISTING LOANS.**—Institutions may, after July 1, 1992, convert all outstanding loans made under part D of title IV of

the Higher Education Act of 1965 (as such Act was in effect on such date) to part E loans, provided that such institution—

(A) notify the borrower of such conversion;

(B) obtain a signed part E promissory note from the borrower for the remaining amount outstanding; and

(C) provide the borrower in writing with a description of all terms and conditions of the new loan.

#### SEC. 448. AUTHORIZATION OF APPROPRIATIONS.

Section 461 of the Act (20 U.S.C. 1087aa) is amended—

(1) in subsection (a), by inserting "or while engaged in programs of study abroad approved for credit by such institutions" after "in such institutions"; and

(2) in paragraph (1) of subsection (b)—

(A) by striking "\$268,000,000" and inserting "\$200,000,000";

(B) by striking "1987" and inserting "1993"; and

(C) by striking "4 succeeding" and inserting "6 succeeding".

#### SEC. 449. AGREEMENTS WITH INSTITUTIONS OF HIGHER EDUCATION.

Section 463 of the Act (20 U.S.C. 1087cc) is amended—

(1) in subparagraph (B) of subsection (a)(2)—

(A) by striking "one-ninth" and inserting "15 percent in fiscal year 1993 and 25 percent in each of the succeeding fiscal years"; and

(B) by inserting "except that the Federal share may exceed such percentage if the Secretary determines that the non-Federal share would cause financial hardship at an eligible institution and that such institution serves a large number or percentage of low-income or minority students" before the semicolon at the end thereof;

(2) in subsection (c)—

(A) in subparagraph (B) of paragraph (3), by striking ", if that account has not been previously reported by any other holder of the note"; and

(B) by adding at the end the following new paragraph:

"(4) **DISCLOSURES TO CREDIT BUREAU ORGANIZATIONS.**—Each institution of higher education, after consultation with the Secretary and pursuant to the agreements entered into under paragraph (1), shall disclose to any credit bureau organization with which the Secretary has such an agreement—

"(A) the amount of loans made to any borrower under this part at the time of the disbursement of the loan; and

"(B) the information set forth in section 430A(a)."; and

(3) by adding at the end the following new subsections:

"(d) **LIMITATION ON USE OF INTEREST BEARING ACCOUNTS.**—In carrying out the provisions of subsection (a)(10), the Secretary may not require that any collection agency, collection attorney or loan servicer collecting loans made under this part deposit amounts collected on such loans in interest bearing accounts.

"(e) **SPECIAL DUE DILIGENCE RULE.**—In carrying out the provisions of subsection (a)(5) relating to due diligence, the Secretary shall ensure that institutions of higher education may use Internal Revenue Service skip-tracing collection procedures on loans made under this part."

#### SEC. 450. STUDENT LOAN INFORMATION BY ELIGIBLE INSTITUTIONS.

Paragraph (11) of section 463A(a) of the Act (20 U.S.C. 1087cc(a)(11)) is amended by striking "including a statement that the default may be" and inserting "together with a statement that the disbursement of, and the default on, a loan under this part, shall be".

#### SEC. 451. TERMS OF LOANS.

Section 464 of the Act (20 U.S.C. 1087dd) is amended—

(1) in subsection (a)—

(A) by amending paragraph (2) to read as follows:

"(2)(A) Except as provided in paragraph (4), the total of loans made to a student in any academic year or its equivalent by an institution of higher education from a loan fund established pursuant to an agreement under this part shall not exceed—

"(i) \$3,000, in the case of a student who has not successfully completed a program of undergraduate education; or

"(ii) \$5,000, in the case of a graduate or professional student (as defined in regulations issued by the Secretary).

"(B) The aggregate of loans for all years made by institutions of higher education from loan funds established pursuant to agreements made under this part shall not exceed—

"(i) \$15,000, in the case of any student who has not successfully completed a program of undergraduate education; or

"(ii) \$40,000, in the case of any graduate or professional student (as defined by regulations issued by the Secretary) and including any loans from such funds made to such student before the student became a graduate or professional student.";

(B) by inserting after paragraph (3) the following new paragraph:

"(4) In the case of a program of study abroad that is approved for credit by the home institution and that has reasonable costs in excess of the home institution's budget, the aggregate of loans for all years for the student may exceed the totals described in subparagraphs (A) through (C) by 20 percent.";

(2) in subsection (b)—

(A) in paragraph (1), by striking "this title and who meets the requirements of section 484" and inserting "this title, who meets the requirements of section 484, and who provides the institution with the student's drivers license number, if any, at the time of application for the loan"; and

(B) in paragraph (2), by inserting ", except that if the total financial need of all such less than full-time students at the institution exceeds 5 percent of the total financial need of all students at such institution, then at least 5 percent of such loans shall be made available to such less than full-time students" before the period at the end thereof;

(3) in subsection (c)—

(A) in paragraph (1)—

(i) by amending subparagraph (C) to read as follows:

"(C)(i) for loans made before July 1, 1993, may provide, at the option of the institution and in accordance with regulations issued by the Secretary, that during the repayment period of the loan, payments of principal and interest by the borrower with respect to all outstanding loans made to the student from a student loan fund assisted under this part shall be at a rate equal to not less than \$30 per month, except that the institution may, subject to such regulations, permit a borrower to pay less than \$30 per month for a period of not more than 1 year when such lower payment is necessary to avoid hardship to the borrower, but in no event shall the 10-year maximum repayment period provided for in subparagraph (A) of this paragraph be extended;

"(ii) for loans made on or after July 1, 1993, may provide, at the option of the institution and in accordance with regulations issued by the Secretary, that during the repayment period of the loan, payments of principal and interest by the borrower with respect to all outstanding loans made to the student from a student loan fund assisted under this part shall be at a rate equal to not less than \$40 per month, except that the institution may permit a borrower to pay



less than \$40 per month when such lower payment is necessary to avoid hardship to the borrower, but in no event shall the 10-year maximum repayment period provided for in subparagraph (A) of this paragraph be extended; and

"(iii) may provide that the total payments by a borrower for a monthly or similar payment period with respect to the aggregate of all loans held by the institution may, when the amount of a monthly or other similar payment is not a multiple of \$5, be rounded to the next highest whole dollar amount that is a multiple of \$5;"

(ii) by amending subparagraph (D) to read as follows:

"(D) shall provide that the loan shall bear interest on the unpaid balance of the loan, at the rate of (i) 3 percent per year in the case of any loan made before July 1, 1981, (ii) 4 percent per year in the case of any loan made on or after July 1, 1981, (iii) 5 percent per year in the case of any loan made on or after October 1, 1981, or (iv) 5 percent per year for the first 4 years of repayment and 8 percent during the remainder of the repayment period in the case of any loan made on or after July 1, 1993, except that no interest shall accrue—

"(I) prior to the beginning date of repayment determined under subparagraph (A)(i); or

"(II) during any period in which repayment is suspended pursuant to paragraph (2);" and

(iii) by amending subparagraph (E) to read as follows:

"(E) shall provide that the loan is made without security and without endorsement, except that an institution participating in the loan program under this part may—

"(i) prior to making any loan under this part, obtain a credit report from at least one national credit bureau organization with respect to a loan applicant who is an independent student as of July 1 of the award year for which assistance is being sought; and

"(ii) require an applicant described in clause (i) who, in the judgment of the institution in accordance with the regulations issued by the Secretary, has an adverse credit history, to obtain a credit worthy cosigner in order to obtain the loan, except that for purposes of this paragraph, an insufficient or nonexistent credit history shall not be considered to be an adverse credit history;" and

(B) by amending subparagraph (A) of paragraph (2) to read as follows:

"(A) No repayment of principal of, or interest on, any loan from a student loan fund assisted under this part shall be required during any period—

"(i) during which the borrower—

"(I) is pursuing a full-time course of study as determined by an eligible institution; or

"(II) is pursuing at least a half-time course of study (as determined by such institution); or

"(III) is pursuing a course of study pursuant to a graduate fellowship program approved by the Secretary, or pursuant to a rehabilitation training program for disabled individuals approved by the Secretary, except that no borrower shall be eligible for a deferment under this clause, or loan made under this part (other than a loan made under section 428B or 428C), while serving in a medical internship or residency program;

"(ii) not in excess of 3 years during which the borrower is seeking and unable to find full-time employment;

"(iii) not in excess of 3 years during which the borrower is temporarily totally disabled, as established by sworn affidavit of a qualified physician, or during which the borrower is unable to secure employment by reason of the care required by a dependent who is so disabled; or

"(iv) not in excess of 3 years during which the borrower is working full-time and earning at or below 100 percent of the poverty line for a fam-

ily of 2 as defined in section 673(2) of the Community Service Block Grant Act.";

(4) by inserting at the end thereof the following new subsections:

"(e) **FORBEARANCE.**—The Secretary shall ensure that, upon written request, a lender shall grant a borrower forbearance of principal and interest, renewable at 12-month intervals for a period not to exceed 3 years, on such terms as are otherwise consistent with the regulations issued by the Secretary and agreed upon in writing by the parties to the loan, with the approval of the insurer, if—

"(1) the borrower's debt burden equals or exceeds 20 percent of such borrower's gross income; or

"(2) the institution determines that the borrower should qualify for forbearance for other reasons.

"(f) **SPECIAL REPAYMENT AUTHORITY.**—

"(1) **IN GENERAL.**—Subject to such restrictions as the Secretary may prescribe to protect the interest of the United States and in order to encourage repayment on loans made under this part which are in default, the Secretary may, pursuant to the agreement entered into under this part, authorize an institution of higher education to compromise on the repayment of such defaulted loans in accordance with paragraph (2).

"(2) **LIMITATION.**—(A) No compromise repayment of a defaulted loan described in paragraph (1) may be made unless the student borrower pays—

"(i) 90 percent of the loan made under this part;

"(ii) the interest due on such loan; and

"(iii) any collection fees due on such loan.

"(B) The compromise repayment described in subparagraph (A) shall be paid in a lump sum payment."

#### SEC. 452. CANCELLATION OF LOANS FOR CERTAIN PUBLIC SERVICE.

Section 465 of the Act (20 U.S.C. 1087ff) is amended—

(1) by amending subparagraph (B) of subsection (a)(2) to read as follows:

"(B) as a full-time teacher of mathematics, science, foreign languages, special education, bilingual education, or any other field of expertise where the State educational agency determines there is a shortage of qualified teachers;" and

(2) by adding at the end the following new subsection:

"(c) **SPECIAL RULES.**—

"(1) **LIST.**—If the list of schools in which a teacher may perform service pursuant to subparagraph (A) of paragraph (2) of subsection (a) is not available before May 1 of any year, the Secretary may use the list for the year preceding the year for which the determination is made to make such service determination.

"(2) **CONTINUING ELIGIBILITY.**—Any teacher who performs service in a school which—

"(A) meets the requirements of subparagraph (A) of paragraph (2) of subsection (a) in any year; and

"(B) in a subsequent year fails to meet the requirements of such subparagraph, may continue to teach in such school and shall be eligible for loan cancellation pursuant to paragraph (1) of subsection (a) in such subsequent years."

#### SEC. 453. DISTRIBUTION OF ASSETS FROM STUDENT LOAN FUNDS.

Section 466 of the Act (20 U.S.C. 1087ff) is amended—

(1) in subsection (b), by striking "1997" and inserting "2005";

(2) in subsection (c)—

(A) by striking "Upon" and inserting "(1) Upon";

(B) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively; and

(C) by adding at the end the following new paragraph:

"(2) No finding that the liquid assets of a student loan fund established under this part exceed the amount required under paragraph (1) may be made prior to a date which is 2 years after the date on which the institution of higher education received the funds from such institution's allocation under section 462."

#### SEC. 454. STUDENT AID METHODOLOGY.

(a) **AMENDMENT TO HEADING.**—The heading for part F of title IV of the Act (20 U.S.C. 1087kk et seq.) is amended to read as follows:

"PART F—STUDENT AID METHODOLOGY".

(b) **CONFORMING AMENDMENTS.**—

(1) **PELL GRANTS.**—Section 411(f) of the Act is amended—

(A) in paragraph (1)—

(i) in the matter preceding subparagraph (A), by striking "eligibility index" and inserting "expected family contribution";

(ii) in subparagraph (A) by striking "eligibility index" and inserting "expected family contribution";

(iii) in subparagraph (B), by striking "eligibility index" and inserting "expected family contribution"; and

(iv) in subparagraph (D), by striking "eligibility index" and inserting "expected family contribution"; and

(B) in paragraph (3), by striking "eligibility index" and inserting "expected family contribution";

(2) **ADVISORY COMMITTEE ON STUDENT FINANCIAL ASSISTANCE.**—Section 491 of the Act (20 U.S.C. 1098) is amended—

(A) in subparagraph (B) of subsection (a)(2), by striking "needs analysis," and inserting "student aid methodology";

(B) in paragraph (2) of subsection (c), by striking "needs analysis" and inserting "student aid methodology"; and

(C) in paragraph (1) of subsection (d), by striking "needs analysis under sections 411A through 411E and" and inserting "student aid methodology established under".

#### SEC. 455. AMOUNT OF NEED.

The text of section 471 of the Act (20 U.S.C. 1087kk) is amended to read as follows:

"Except as otherwise provided in subpart 1 or 3 of part A, the determination of need for financial assistance under this title for any student is equal to the cost of attendance of such student minus—

"(1) the expected family contribution of such student for the academic year for which the determination is made determined in accordance with this part;

"(2) except as otherwise provided in subpart 2 of part A, a student contribution equal to the greater of—

"(A) \$900 for first-year dependent undergraduates or \$1,100 for all other students, except that this subparagraph shall not apply to independent students with dependents other than a spouse; or

"(B) the student contribution determined in accordance with this part; and

"(3) the sum of all resources available to such student at the time of the award, including the amount of—

"(A) funds the student is entitled to receive from a Pell Grant, regardless of whether the student applies for such funds;

"(B) a waiver of tuition and fees;

"(C) a scholarship or grant, including a Supplemental Educational Opportunity Grant under subpart 2 of part A or an athletic scholarship;

"(D) fellowship or assistantship assistance;

"(E) insurance benefits available to such student for such student's education, including any social security education benefits not in-

cluded in computing expected family contribution;

"(F) except as otherwise provided in subpart 2 of part A, loans under part B;

"(G) long-term loans made by the institution (excluding loans made under part B); and

"(H) veterans' benefits, including benefits received under chapters 2, 106 and 107 of title 10, and chapters 30, 31, 32, 34, and 35 of title 38, United States Code."

#### SEC. 456. COST OF ATTENDANCE.

Section 472 of the Act (20 U.S.C. 1087II) is amended—

(1) in the matter preceding paragraph (1), by striking "except for subpart 1 of part A and"; and

(2) in paragraph (6), by striking "in an academic program which normally includes a formal program of study abroad" and inserting "in a program of study abroad approved for credit by the student's home institution".

#### SEC. 457. FAMILY CONTRIBUTION.

Section 473 of the Act (20 U.S.C. 1087nn) is amended by striking "subparts 1 and 3" and inserting "subpart 3".

#### SEC. 458. STUDENT AID METHODOLOGY; DATA ELEMENTS.

Section 474 of the Act (20 U.S.C. 1087nn) is amended to read as follows:

#### "SEC. 474. STUDENT AID METHODOLOGY; DATA ELEMENTS.

"(a) GENERAL RULE FOR DETERMINATION OF EXPECTED FAMILY CONTRIBUTION.—

"(1) IN GENERAL.—The expected family contribution—

"(A) for a dependent student shall be determined in accordance with section 475;

"(B) for an independent student with dependents other than a spouse shall be determined in accordance with section 476; and

"(C) for a single independent student or a married independent student without dependents (other than a spouse) shall be determined in accordance with section 477.

"(2) The following data elements are considered in determining the expected family contribution:

"(A) The effective income of—

"(i) the student and the student's spouse; and

"(ii) in the case of a dependent student, the student's parents.

"(B) The number of family members in the household.

"(C) The number of family members in the household who meet the requirements of section 484(a)(1).

"(D) The assets of—

"(i) the student and the student's spouse; and

"(ii) in the case of a dependent student, the student's parents.

"(E) The marital status of the student.

"(F) The additional expenses incurred—

"(i) in the case of a dependent student, when both parents of the student are employed or when the family is headed by a single parent who is employed; or

"(ii) in the case of an independent student, when both the student and the student's spouse are employed or when the employed student qualifies as a surviving spouse or as a head of household under section 2 of the Internal Revenue Code of 1986.

"(b) EXCLUSION OF FORCED SALE PROCEEDS.—In the computation of expected family contribution for expected any academic year, there shall be excluded from such contribution any proceeds of a sale of farm or business assets of such family if such sale results from a voluntary or involuntary foreclosure, forfeiture, or bankruptcy or an involuntary liquidation."

#### SEC. 459. EXPECTED FAMILY CONTRIBUTION FOR DEPENDENT STUDENTS.

Section 475 of the Act (20 U.S.C. 1087oo) is amended to read as follows:

#### "SEC. 475. EXPECTED FAMILY CONTRIBUTION FOR DEPENDENT STUDENTS.

"(a) COMPUTATION OF EXPECTED FAMILY CONTRIBUTION.—For each dependent student, the expected family contribution is equal to the sum of—

"(1) the contribution from parents' income and assets, determined in accordance with subsection (b);

"(2) the contribution from student's income, determined in accordance with subsection (h); and

"(3) the contribution from student's assets, determined in accordance with subsection (i).

"(b) CONTRIBUTION FROM PARENTS' INCOME AND ASSETS.—The parents' contribution from income and assets is equal to—

"(1) the sum of—

"(A) the standard contribution from parents' income, determined in accordance with subsection (c); and

"(B) the contribution from parents' assets, determined in accordance with subsection (g); divided by:

"(2) the number of family members who meet the requirements of section 484(a)(1) during the award period for which assistance under this title is requested.

"(c) STANDARD CONTRIBUTION FROM PARENTS' INCOME.—The standard contribution from parents' income is determined by—

"(1) calculating the sum of—

"(A) the effective family income determined in accordance with subsection (d); minus

"(B) the total offsets against income determined in accordance with subsection (e); and

"(2) assessing the result in accordance with subsection (f).

"(d) DETERMINATION OF EFFECTIVE FAMILY INCOME.—The effective family income is equal to the annual adjusted family income minus the sum of—

"(1) the amount of United States income tax paid or payable by the parents in the tax year preceding the award year; and

"(2) an allowance for State and other taxes, as determined by multiplying the parents' total income by a percentage determined according to the following table:

"Percentages for Computation of State and Other Tax Allowance

If parents' State or territory of residence is—	And parents' total income is—	
	less than \$15,000 the percentage is	\$15,000 or more the percentage is
Alaska, Puerto Rico, Wyoming.	3	2
American Samoa, Guam, Louisiana, Nevada, Texas, Trust Territory, Virgin Islands.	4	3
Florida, South Dakota, Tennessee, New Mexico, North Dakota, Washington, Alabama, Arizona, Arkansas, Indiana, Mississippi, Missouri, Montana, New Hampshire, Oklahoma, West Virginia.	5	4
Colorado, Connecticut, Georgia, Illinois, Kansas, Kentucky.	6	5
California, Delaware, Idaho, Iowa, Nebraska, North Carolina, Ohio, Pennsylvania, South Carolina, Utah, Vermont, Virginia, Canada, Mexico.	7	6
Maine, New Jersey.	8	7
District of Columbia, Hawaii, Maryland, Massachusetts, Oregon, Rhode Island.	9	8
Michigan, Minnesota.	10	9
Wisconsin.	11	10
New York.	12	11
	13	12
	14	13

"(e) TOTAL OFFSETS AGAINST INCOME.—Total offsets against income are determined by deducting—

"(1) a family size offset as determined by the following table:

"Family Size Offsets

Family Members:	Amount:
1	\$6,400
2	\$8,000
3	\$9,800
4	\$12,500
5	\$14,900
6 or more	\$16,800, plus \$2,000 for each member over 6.

"(2) an employment expense offset determined in accordance with section 480(b)(3).

"(f) ASSESSMENT OF DISCRETIONARY INCOME.—

"(1) IN GENERAL.—(A) The discretionary income that is assessed under this subsection is equal to—

"(i) the effective family income (as determined under subsection (d)); minus

"(ii) the total offsets to such income (as determined under subsection (e)).

"(B) If the discretionary income described in subparagraph (A) is a negative amount, the contribution from the parents' income is zero.

"(2) STANDARD CONTRIBUTION.—If such discretionary income is a positive amount, the standard contribution from discretionary income is determined in accordance with the following chart:

Discretionary income:	Expected contribution:
\$0 to \$5,000	11% of discretionary income.
\$5,001 to \$10,000	\$550, plus 13% of amount over \$5,000.
\$10,001 to \$15,000	\$1,200, plus 18% of amount over \$10,000.
\$15,001 and above	\$2,100, plus 25% of amount over \$15,000.

"(g) CONTRIBUTION FROM PARENTS' ASSETS.—The standard contribution from parents' assets is determined in accordance with paragraphs (1) through (6) as follows:

"(1) PRINCIPAL PLACE OF RESIDENCE.—If the parental assets include a principal place of residence, deduct \$30,000 from the net value of the principal place of residence, except that the net value of a principal place of residence shall be considered to be zero when the adjusted gross income of the parents is \$50,000 or less. If the subtraction required by the preceding sentence of this paragraph produces a negative number, the amount determined under this paragraph shall be zero.

"(2) OTHER ASSETS.—If the parental assets include assets other than a principal place of residence and other than farm and business assets, deduct \$25,000 from the net value of such other assets. If the subtraction required by the preceding sentence of this paragraph produces a negative number, the amount determined under this paragraph shall be zero.

"(3) FARM OR BUSINESS ASSETS.—If the parental assets include farm or business assets, or both, deduct \$30,000 in the case of business assets or \$100,000 in the case of farm assets from the net value of the farm or business assets, or both, except that the net value of farm assets shall be considered to be zero when the adjusted gross income of the parents is \$50,000 or less. If the subtraction required by the preceding sentence of this paragraph produces a negative number, the amount determined under this paragraph shall be zero.

"(4) SPECIAL RULE.—If the sum of the farm and business deduction and the deductions in paragraphs (1) and (2) exceeds \$100,000 in the case of business deductions or \$130,000 in the case of farm deductions, the farm and business deductions shall be reduced by the amount that the sum exceeds \$110,000 or \$130,000, as the case may be.



"(5) EXPECTED CONTRIBUTION FROM PARENTAL ASSETS.—(A) The expected contribution from parental assets equals 5 percent of the total of the amounts obtained under paragraphs (1), (2), and (3).

"(B) If the calculation of effective family income required by subsection (d) produces a negative number, the expected contribution from parental assets, calculated under this paragraph, shall be reduced by the amount of that negative effective family income. If the subtraction required by the preceding sentence of this subparagraph produces a negative number, the amount determined under this subparagraph shall be zero.

"(6) SEPARATION OR DIVORCE.—(A) If the student's parents are separated or divorced and not remarried, only the assets of the parent whose income is included in computing annual adjusted family income shall be considered.

"(B) If that parent has remarried, or if the parent was a widow or widower who has remarried, and the parent's spouse's income also is included in computing effective family income, the assets of that parent's spouse shall also be included.

"(h) CONTRIBUTION FROM STUDENT'S INCOME.—The contribution from student's income is determined by—

"(1) calculating the sum of—  
 "(A) the student's effective income, as determined in accordance with subsection (i); minus  
 "(B) the total offsets against income, as determined in accordance with subsection (j); and  
 "(2) assessing the results in accordance with subsection (k).

"(i) DETERMINATION OF STUDENT'S EFFECTIVE INCOME.—The effective income of the student is equal to—

"(1) the sum of—  
 "(A) the adjusted gross income of the student as reported to the Internal Revenue Service for the year immediately preceding the award year, or income earned from work, but not reported on a Federal income tax return, minus any excludable income (as defined in section 480(b)(4)); and  
 "(B) the total annual amount of untaxed income and benefits received by the student in the year immediately preceding the award year; minus  
 "(2) the amount of United States income tax paid or payable by the student in the tax year preceding the award year.

"(j) TOTAL OFFSETS AGAINST STUDENT'S INCOME.—Total offsets against student's income are—  
 "(1) a dependent student offset of \$3,500; and  
 "(2) if the parental discretionary income (as determined under subsection (f)) is a negative amount, the amount, if any, by which the result of the subtraction performed under subsection (g)(5) is less than zero.

"(k) ASSESSMENT OF STUDENT'S INCOME.—  
 "(1) NEGATIVE AMOUNT.—If the student's effective income (as determined under subsection (i)) minus the total offsets (as determined under subsection (j)) is a negative amount, the contribution from student income is zero.

"(2) POSITIVE AMOUNT.—If the student's effective income is a positive amount, the contribution from such student's income is equal to 75 percent of such student's effective income, except that for a first-year undergraduate student who was not enrolled at least half-time in the previous academic year, the effective income shall be equal to 50 percent of such student's effective income.

"(l) DETERMINATION OF CONTRIBUTION FROM STUDENT'S ASSETS.—The contribution from the student's assets is equal to 33 percent of such student's net assets."

**SEC. 460. EXPECTED FAMILY CONTRIBUTION FOR INDEPENDENT STUDENTS WITH DEPENDENTS OTHER THAN A SPOUSE.**

Section 476 of the Act (20 U.S.C. 1087pp) is amended to read as follows:

**"SEC. 476. EXPECTED FAMILY CONTRIBUTION FOR INDEPENDENT STUDENTS WITH DEPENDENTS OTHER THAN A SPOUSE.**

"(a) COMPUTATION OF EXPECTED FAMILY CONTRIBUTION.—For independent students with dependents other than a spouse, the expected family contribution is equal to—

"(1) the sum of—  
 "(A) the standard contribution from student's (and spouse's) income determined in accordance with subsection (b); plus

"(B) the contribution from student's (and spouse's) assets determined in accordance with subsection (f); divided by

"(2) the number of family members who meet the requirements of section 484(a)(1) during the award period for which assistance under this title is requested.

"(b) COMPUTING THE STANDARD CONTRIBUTION FROM STUDENT'S (AND SPOUSE'S) INCOME.—The standard contribution from the student's (and spouse's) income is determined by—

"(1) calculating the sum of—  
 "(A) the effective family income determined in accordance with subsection (c); minus

"(B) the total offsets against income as determined in accordance with subsection (d); and  
 "(2) assessing the results in accordance with subsection (e).

"(c) DETERMINATION OF EFFECTIVE FAMILY INCOME.—The effective family income is equal to the annual adjusted family income minus the sum of—

"(1) the amount of United States income tax paid or payable by the student (and spouse) in the tax year preceding the award year; and  
 "(2) an allowance for State and other taxes as determined by multiplying the student's (and spouse's) total income by a percentage determined according to the following table:

"Percentages for Computation of State and Other Tax Allowance

If student's State or territory of residence is—	And student's (and spouse's) total income is—	
	less than \$15,000 the percentage is	\$15,000 or more the percentage is
Alaska, Puerto Rico, Wyoming.	3	2
American Samoa, Guam, Louisiana, Nevada, Texas, Trust Territory, Virgin Islands.	4	3
Florida, South Dakota, Tennessee, New Mexico.	5	4
North Dakota, Washington, Alabama, Arizona, Arkansas, Indiana, Mississippi, Missouri, Montana, New Hampshire, Oklahoma, West Virginia.	6	5
Colorado, Connecticut, Georgia, Illinois, Kansas, Kentucky.	7	6
California, Delaware, Idaho, Iowa, Nebraska, North Carolina, Ohio, Pennsylvania, South Carolina, Utah, Vermont, Virginia, Canada, Mexico.	8	7
Maine, New Jersey.	9	8
District of Columbia, Hawaii, Maryland, Massachusetts, Oregon, Rhode Island.	10	9
Michigan, Minnesota.	11	10
Wisconsin.	12	11
New York.	13	12
	14	13

"(d) TOTAL OFFSETS AGAINST INCOME.—Total offsets against income are—

"(1) a family size offset equal to the amount specified in the following table:

**"Family Size Offsets**

Family Members Amount:

**"Family Size Offsets—Continued**

2	\$8,000
3	\$9,800
4	\$12,500
5	\$14,900
6 or more	\$16,600, plus \$2,000 for each member over 6.

"(2) in the case of a married independent student when both the student and spouse were employed in the year for which income is reported, or in the case of a student who qualifies as a head of household as defined in section 2 of the Internal Revenue Code of 1986, an employment expense offset determined in accordance with section 480(b)(3)).

"(e) ASSESSMENT OF DISCRETIONARY INCOME.—

"(1) IN GENERAL.—

"(A) The discretionary income that is assessed under this subsection is equal to—

"(i) the effective family income (as determined under subsection (c)); minus

"(ii) the total offsets to such income (as determined under subsection (d)).

"(B) If the discretionary income described in subparagraph (A) is a negative amount, the contribution from the student's (and spouse's) income is zero.

"(2) STANDARD CONTRIBUTION.—If such discretionary income is a positive amount, the standard contribution from discretionary income is determined in accordance with the following chart:

Discretionary income:	Expected contribution:
\$0 to \$5,000	11% of discretionary income.
\$5,001 to \$10,000	\$550, plus 13% of amount over \$5,000.
\$10,001 to \$15,000	\$1,200, plus 18% of amount over \$10,000.
\$15,001 and above	\$2,100, plus 25% of amount over \$15,000.

"(f) CONTRIBUTION FROM STUDENT'S (AND SPOUSE'S) ASSETS.—The standard contribution from student's (and spouse's) assets is determined in accordance with paragraphs (1) through (6) as follows:

"(1) PRINCIPAL PLACE OF RESIDENCE.—If the student's (and spouse's) assets include a principal place of residence, deduct \$30,000 from the net value of the principal place of residence, except that the net value of a principal place of residence shall be considered to be zero when the adjusted gross income of the student (and spouse) is \$50,000 or less. If the subtraction required by the preceding sentence of this paragraph produces a negative number, the amount determined under this paragraph shall be zero.

"(2) OTHER ASSETS.—If the student's (and spouse's) assets include assets other than a principal place of residence and other than farm and business assets, deduct \$25,000 from the net value of those other assets. If the subtraction required by the preceding sentence of this paragraph produces a negative number, the amount determined under this paragraph shall be zero.

"(3) FARM OR BUSINESS ASSETS.—If the student's (and spouse's) assets include farm or business assets, or both, deduct \$80,000 in the case of business assets or \$100,000 in the case of farm assets from the net value of the farm or business assets, or both, except that the net value of farm assets shall be considered to be zero when the adjusted gross income of the student (and spouse) is \$50,000 or less. If the subtraction required by the preceding sentence of this paragraph produces a negative number, the amount determined under this paragraph shall be zero.

"(4) SPECIAL RULE.—If the sum of the farm and business deduction and the deductions in paragraphs (1) and (2) exceeds \$110,000 in the case of business deductions, or \$130,000 in the case of farm deductions, the farm and business

deduction shall be reduced by the amount that the sum exceeds \$110,000, or \$130,000, as the case may be.

"(5) EXPECTED CONTRIBUTION FROM STUDENT'S ASSETS.—(A) The expected contribution from student's (and spouse's) assets equals 5 percent of the total of the amounts obtained under paragraphs (1), (2), and (3).

"(B) If the assessment of discretionary income under subsection (c) produces a negative number, the expected contribution from student's (and spouse's) assets, calculated under this paragraph, shall be reduced by the amount of that negative effective family income. If the subtraction required by the preceding sentence of this subparagraph produces a negative number, the amount determined under this subparagraph shall be zero.

"(6) SEPARATED OR DIVORCED.—If the married independent student with dependents is separated or divorced, only assets of the independent student shall be considered."

**SEC. 461. EXPECTED FAMILY CONTRIBUTION FOR SINGLE INDEPENDENT STUDENTS OR FOR MARRIED INDEPENDENT STUDENTS WITHOUT OTHER DEPENDENTS.**

Section 477 of the Act (20 U.S.C. 1087qq) is amended to read as follows:

**"SEC. 477. EXPECTED FAMILY CONTRIBUTION FOR SINGLE INDEPENDENT STUDENTS OR FOR MARRIED INDEPENDENT STUDENTS WITHOUT OTHER DEPENDENTS.**

"(a) COMPUTATION OF EXPECTED FAMILY CONTRIBUTION.—For single independent students or married independent students without other dependents, the expected family contribution is equal to—

"(1) the sum of—

"(A) the standard contribution from student's (and spouse's) income determined in accordance with subsection (b); plus

"(B) the contribution from student's (and spouse's) assets determined in accordance with subsection (f); divided by

"(C) the number of family members who meet the requirements of section 484(a)(1) during the award period for which aid under this subpart is requested.

"(b) COMPUTING THE STANDARD CONTRIBUTION FROM STUDENT'S (AND SPOUSE'S) INCOME.—The standard contribution from the student's (and spouse's) income is determined by—

"(1) computing the sum of—

"(A) the effective family income in accordance with subsection (c); minus

"(B) the total offsets against income, as determined in accordance with subsection (d); and

"(2) assessing the results in accordance with subsection (e).

"(c) DETERMINATION OF EFFECTIVE FAMILY INCOME.—The effective family income is equal to the annual adjusted family income minus the sum of—

"(1) the amount of United States income tax paid or payable by the student (and spouse) in the tax year preceding the award year; and

"(2) an allowance for State and other taxes as determined by multiplying the student's (and spouse's) total income by a percentage determined according to the following table:

"Percentages for Computation of State and Other Tax Allowance—Continued

If student's State or territory of residence is—	And student's (and spouse's) total income is—	
	less than \$15,000 the percentage is	\$15,000 or more the percentage is
American Samoa, Guam, Louisiana, Nevada, Texas, Trust Territory, Virgin Islands.	4	3
Florida, South Dakota, Tennessee, New Mexico, North Dakota, Washington, Alabama, Arizona, Arkansas, Indiana, Mississippi, Missouri, Montana, New Hampshire, Oklahoma, West Virginia.	5	4
Colorado, Connecticut, Georgia, Illinois, Kansas, Kentucky.	6	5
California, Delaware, Idaho, Iowa, Nebraska, North Carolina, Ohio, Pennsylvania, South Carolina, Utah, Vermont, Virginia, Canada, Mexico.	7	6
Maine, New Jersey.	8	7
District of Columbia, Hawaii, Maryland, Massachusetts, Oregon, Rhode Island.	9	8
Michigan, Minnesota.	10	9
Wisconsin.	11	10
New York.	12	11
	13	12
	14	13

"(d) TOTAL OFFSETS AGAINST INCOME.—Total offsets against income are determined by deducting—

"(1) a family size offset as determined by the following table:

"Family Size Offsets

Family Member	Amount:
1	\$6,400
2	\$8,000

"(2) in the case of a married independent student when both the student and spouse were employed in the year for which income is reported, or in the case of a student who qualifies as a head of household as defined in section 2 of the Internal Revenue Code of 1986, an employment expense offset determined in accordance with section 480(b)(3).

"(e) ASSESSMENT OF DISCRETIONARY INCOME.—

"(1) IN GENERAL.—(A) The discretionary income that is assessed under this subsection is equal to—

"(i) the effective family income (as determined under subsection (c)); minus

"(ii) the total offsets to such income (as determined under subsection (d)).

"(B) If the discretionary income described in subparagraph (A) is a negative amount, the contribution from the student's (and spouse's) income is zero.

"(2) STANDARD CONTRIBUTION.—If such discretionary income is a positive amount, the standard contribution from student's (and spouse's) income is equal to 75 percent of such discretionary income, except that for a first-year undergraduate student or a first-year graduate student, who was not enrolled at least half-time in the previous academic year and who was not in attendance at a secondary school, the standard contribution from a student's and spouse's income is equal to 50 percent of such student's discretionary income.

"(f) CONTRIBUTION FROM STUDENT'S (AND SPOUSE'S) ASSETS.—

"(1) INDEPENDENT STUDENT ASSET CONTRIBUTION.—The asset contribution amount of an independent student and the student's spouse is equal to 5 percent of the sum of the amounts computed under paragraphs (3) and (4), reduced

by the amount, if any, by which effective family income as computed under subsection (c) is less than zero. If the result of such subtraction is a negative amount, the family asset contribution amount is zero.

"(2) FAMILY ASSET CONTRIBUTION.—The family asset contribution amount of a single independent student is equal to 33 percent of such student's net asset value, reduced by the amount, if any, by which effective family income as computed under subsection (c) is less than zero. If such value minus such amount is a negative amount, the family asset contribution amount is zero.

"(3) PRINCIPAL PLACE OF RESIDENCE.—If the asset of an independent student with a spouse include a principal place of residence, deduct \$30,000 from the net value of the principal place of residence, except that the net value of a principal place of residence shall be considered to be zero when the adjusted gross income of the student (and spouse) is \$50,000 or less. If the subtraction required by the preceding sentence of this paragraph produces a negative number, the amount determined under this paragraph shall be zero.

"(4) OTHER ASSETS.—(A) If the assets of an independent student with a spouse include assets other than a principal place of residence and other than a farm and business assets, deduct \$25,000 from the net value of those other assets. If the subtraction required by the preceding sentence of this subparagraph produces a negative number, the amount determined under this subparagraph shall be zero.

"(B)(i) If the assets of an independent student with a spouse include a farm or business assets, or both, deduct \$80,000 in the case of business assets or \$100,000 in the case of farm assets from the net value of the farm or business assets, or both, except that the net value of farm assets shall be considered to be zero when the adjusted gross income of the student (and spouse) is \$50,000 or less. If the subtraction required by the preceding sentence of this subparagraph produces a negative number, the amount determined under this subparagraph shall be zero.

"(ii) If the sum of the farm and business deduction and the deductions in paragraphs (3) and (4)(A) exceeds \$110,000 in the case of business deductions or \$130,000 in the case of farm deductions, the farm and business deduction shall be reduced by the amount that such sum exceeds \$110,000, or \$130,000, as the case may be."

**SEC. 462. REGULATIONS; UPDATED TABLES.**

The text of section 478 of the Act (20 U.S.C. 1087rr) is amended to read as follows:

"(a) AUTHORITY TO PRESCRIBE REGULATIONS RESTRICTED.—

"(1) IN GENERAL.—Notwithstanding any other provision of law, the Secretary shall not have the authority to prescribe regulations to carry out this subpart except—

"(A) to prescribe updated tables under sections 475, 476 and 477; or

"(B) to propose modifications in the student aid methodology required by this subpart.

"(2) SPECIAL RULE.—Any regulation proposed by the Secretary that (A) updates tables in a manner that does not comply with subsection (b), or (B) proposes modifications under paragraph (1)(B) of this subsection, shall not be effective unless approved by joint resolution of the Congress by May 1 following the date such regulations are published in the Federal Register in accordance with section 482. If the Congress fails to approve such regulations by such May 1, the Secretary shall publish in the Federal Register in accordance with section 482 updated tables for the applicable award year that are prescribed in accordance with subsection (b) of this section.

"(b) PROVISION FOR GOVERNING UPDATED TABLES.—

"Percentages for Computation of State and Other Tax Allowance

If student's State or territory of residence is—	And student's (and spouse's) total income is—	
	less than \$15,000 the percentage is	\$15,000 or more the percentage is
Alaska, Puerto Rico, Wyoming.	3	2



"(1) ADJUSTMENTS.—(A) Each of the amounts allowed as an offset for family size for dependent and independent students shall, for each academic year after academic year 1991–1992, be adjusted by the Secretary by increasing (or decreasing) the comparable amount for the preceding academic year by a percentage equal to the percentage increase (or decrease) in the Consumer Price Index for Wage Earners and Clerical Workers published by the Department of Labor, and rounded to the nearest \$100.

"(B) The Secretary shall publish in the Federal Register a revised table for an offset for family size in accordance with section 482.

"(2) REVISIONS.—(A) The Secretary shall, for each academic year after academic year 1991–1992, publish in the Federal Register such revisions in offsets against income, asset determination, and assessment rates as are necessary to reflect the most recent and relevant data.

"(B) The Secretary shall publish in the Federal Register the revised determinations required by subparagraph (A) in accordance with section 482."

#### SEC. 463. SIMPLIFIED NEEDS TEST.

Section 479 of the Act (20 U.S.C. 1087ss) is amended—

(1) in subsection (a)—

(A) by striking "The Secretary" and inserting "Except as provided in subsection (c), the Secretary";

(B) by striking "\$15,000" and inserting "\$50,000 (excluding a dependent student's income)";

(C) by striking "who file" and inserting "who file or are eligible to file"; and

(D) by inserting: "or who file or are eligible to file an income tax return pursuant to the tax code of the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, the Commonwealth of the Northern Mariana Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, or Palau, or who are not required to file pursuant to such tax code" after "1986".

(2) in subsection (b)—

(A) by striking "475(c)(2)" and inserting "475(d)(2)";

(B) by striking "477(b)(2)" and inserting "477(c)(2)"; and

(C) by striking "476(b)(2)" and inserting "476(c)(2)";

(3) by redesignating subsection (c) as subsection (d) and inserting a new subsection (c) to read as follows:

"(c) SPECIAL TREATMENT OF AFDC/ADC RECIPIENTS.—The expected family contribution shall be zero for the purpose of awarding assistance under part A (other than under subpart 3 of part A), and parts B, C and E for any applicant receiving aid to families with dependent children under a State plan approved under part A of title IV of the Social Security Act, or aid to dependent children."; and

(4) by amending subsection (d) (as redesignated in paragraph (3)) to read as follows:

"(d) SIMPLIFIED APPLICATION FORM.—

"(1) IN GENERAL.—The Secretary shall develop and use an easily identifiable simplified application form as part of the common financial reporting form prescribed in section 483(a) for families described in this section to qualify for the use of a simplified student aid methodology and zero family contribution.

"(2) REDUCED DATA REQUIREMENTS.—The simplified application form shall reflect the reduced data requirements described in subsections (b) and (c)."

#### SEC. 464. DISCRETION OF STUDENT FINANCIAL AID OFFICER.

Section 479A of the Act (20 U.S.C. 1087tt) is amended—

(1) in subsection (a)—

(A) by inserting after the second sentence thereof the following new sentence: "Further-

more, a financial aid administrator shall make necessary adjustments in accordance with subsection (c)."; and

(B) by adding at the end thereof the following new sentence: "No student or parent shall be charged a fee for collecting, processing, or delivering such supplementary information.";

(2) by redesignating subsection (c) as subsection (d); and

(3) by inserting the following new subsection (c) after subsection (b):

"(c) SPECIAL ADJUSTMENTS.—A student financial aid administrator shall make a necessary adjustment described in subsection (a) under the following circumstances:

"(1) In the case of dislocated workers, as defined in section 480(a)(5)—

"(A) the administrator shall use the income for the year in which the determination is made (the award year) rather than the income reported in the preceding tax year; and

"(B) the administrator shall exclude the net value of investments and real estate, including the primary residence, in the calculation of the expected family contribution.

"(2) In the case of a displaced homemaker, as defined in section 480(a)(6), the administrator shall exclude the net value of investments and real estate, including the primary residence, from the calculation of the expected family contribution.

"(3) In the case of unreimbursed medical or dental expenses, the administrator shall reduce available income by the amount of unreimbursed medical expenses in excess of 5 percent of total income in calculating the expected family contribution.

"(4) In the case of elementary and secondary tuition and fees, the administrator shall reduce available income by the unreimbursed tuition and fees paid by the parents for dependents which shall not exceed for each dependent the national average per pupil instructional cost published by the Center for Educational Statistics using the most recent data available."

#### SEC. 465. DEFINITIONS; GENERAL CALCULATION RULES.

Section 480 of the Act (20 U.S.C. 1087vv) is amended to read as follows:

#### "SEC. 480. DEFINITIONS; GENERAL CALCULATION RULES.

"(a) DEFINITIONS.—As used in this part (except subpart 3 of part A):

"(1) ASSETS.—The term 'assets' means cash on hand, including amounts in checking and savings accounts, time deposits, money market funds, trusts, stocks, bonds, other securities, mutual funds, tax shelters, and the net value of real estate, income producing property, and business and farm assets.

"(2) AWARD YEAR.—The term 'award year' is the period of time between July 1 of the first year and June 30 of the following year.

"(3) BUSINESS ASSETS.—The term 'business assets' means property that is used in the operation of a trade or business, including real estate, inventories, buildings, machinery, and other equipment, patents, franchise rights and copyrights.

"(4) DEPENDENT.—The term 'dependent'—

"(A) when used with respect to a student and except as otherwise provided, means the student's spouse, the student's dependent children, and other persons who live with and receive more than one-half of their support from the student and will continue to receive more than one-half of their support from the student during the award year; and

"(B) when used with respect to a parent, means the parents of the student, the student, any of the student's dependent children, dependent children of the student's parents (including those children who are deemed to be dependent students when applying for aid under

this title) and other persons who live with and receive more than one-half of their support from the parents and will continue to receive more than one-half of their support from the parents during the award year.

"(5) DISLOCATED WORKER.—The term 'dislocated worker' means a worker identified pursuant to section 301(a) of the Job Training Partnership Act.

"(6) DISPLACED HOMEMAKER.—The term 'displaced homemaker' means an individual who—

"(A) has not worked in the labor force for a substantial number of years but has, and during those years, worked in the home providing unpaid services for family members;

"(B)(i) has been a dependent on public assistance or on the income of another family member but is no longer supported by that income; or

"(ii) is receiving public assistance on account of dependent children in the home; and

"(C) is unemployed or underemployed and is experiencing difficulty in obtaining or upgrading employment.

"(7) FARM ASSETS.—The term 'farm assets' means any property owned and used in the operation of a farm for profit, including real estate, livestock, livestock products, crops, farm machinery, and other equipment inventories. A farm is not considered to be operated for profit if crops or livestock are raised mainly for the use of the family, even if some income is derived from incidental sales.

"(8) INDEPENDENT.—The term 'independent', when used with respect to a student, means any individual who—

"(A) is 24 years of age or older by December 31 of the first calendar year of the award year;

"(B) is an orphan or ward of the court;

"(C) is a veteran of the Armed Forces of the United States;

"(D) is a graduate or professional student;

"(E) is married or has legal dependents; and

"(F) is a student for whom a financial aid administrator makes a documented determination of independence by reason of other unusual circumstances.

"(9) NET ASSETS.—The term 'net assets' means the current market value at the time of application of assets (as defined in paragraph (1)) minus the outstanding liabilities (indebtedness) against such assets.

"(10) SPECIAL TAXES AND REFERENCES.—(A) The tax on income paid to the Governments of the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, or the Commonwealth of the Northern Mariana Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, or Palau under the laws applicable to those jurisdictions, or the comparable tax paid to the central government of a foreign country, shall be treated as United States income taxes.

"(B) References in this subpart to the Internal Revenue Code of 1986, Federal income tax forms, and the Internal Revenue Service shall, for purposes of the tax described in subparagraph (A), be treated as references to the corresponding laws, tax forms, and tax collection agencies of those jurisdictions, respectively, subject to such adjustments as the Secretary may provide by regulation.

"(11) UNTAXED INCOME AND BENEFITS.—The term 'untaxed income and benefits' means—

"(A) child support received;

"(B) welfare benefits, excluding aid to families with dependent children under a State plan approved under part A of title IV of the Social Security Act and aid to dependent children;

"(C) workman's compensation;

"(D) veterans' benefits such as death pension, dependency and indemnity compensation, but excluding veterans' education benefits;

"(E) interest on tax-free bonds;

"(F) housing, food, and other allowances (excluding rent subsidies for low-income housing)

for military, clergy, and others (including cash payments and cash value of benefits);

"(G) cash support or any money paid on the student's behalf;

"(H) the amount of earned income credit claimed for Federal income tax purposes;

"(I) untaxed portion of pensions;

"(J) credit for Federal tax on special fuels;

"(K) the amount of foreign income excluded for purposes of Federal income taxes;

"(L) untaxed social security benefits;

"(M) payments to individual retirement accounts and Keogh accounts excluded from income for Federal income tax purposes; and

"(N) any other untaxed income and benefits, such as Black Lung Benefits, Refugee Assistance, railroad retirement benefits, or Job Training Partnership Act noneducational benefits.

"(b) GENERAL CALCULATION RULES.—

"(1) ANNUAL ADJUSTED FAMILY INCOME.—The term 'annual adjusted family income' means the sum received in the year immediately preceding the award year, by the student's parents (in the case of a dependent student), or by the student and, if applicable, the student's spouse (in the case of an independent student), except excludable income under paragraph (4) of this subsection, from the following sources and calculated as follows:

"(A) Adjusted gross income, as defined in section 62 of the Internal Revenue Code of 1986.

"(B) Untaxed income and benefits, as defined in paragraph (a)(11).

"(C) Income for a student whose parents are divorced or separated determined as follows:

"(i) Include only the income of the parent with whom the student resided for the greater portion of the 12-month period preceding the date of the application.

"(ii) If the criterion described in clause (i) does not apply, include only the income of the parent who provided the greater portion of the student's support for the 12-month period preceding the date of application.

"(iii) If neither of the criteria described in clauses (i) or (ii) apply, include only the income of the parent who provided the greater support during the most recent calendar year for which parental support was provided.

"(D) Income in the case of the death of any parent is determined as follows:

"(i) If either of the parents have died, the student shall include only the income of the surviving parent.

"(ii) If both parents have died, the student shall not report any parental income.

"(E) If income in the case of a parent whose income is taken into account under subparagraph (C) of this paragraph, or a parent who is a widow or widower and whose income is taken into account under clause (i) of this subparagraph, has remarried, then the income of that parent's spouse shall be included in determining the student's annual adjusted family income only if—

"(i) the student's parent and the stepparent are married as of the date of application for the award year concerned; and

"(ii) the student is not an independent student.

"(2) EFFECTIVE FAMILY INCOME.—The effective family income shall be determined on the basis of the annual adjusted family income minus the Federal taxes and imputed State and other taxes paid or payable for the year that adjusted gross income is used in the calculation of the student's expected family contribution.

"(3) EMPLOYMENT EXPENSE OFFSET.—(A) The employment expense offset is determined as follows:

"(i) If both parents were employed in the year for which their income is reported and both have their incomes reported in determining the expected family contribution, such offset is

equal to the lesser of \$2,100 or 35 percent of the earned income (income earned by work) of the parent with the lesser earned income.

"(ii) If a parent qualifies as a head of household as defined in section 2 of the Internal Revenue Code of 1986, such offset is equal to the lesser of \$2,100 or 35 percent of the parent's earned income.

"(B) The employment expense offset in the case of an independent student with dependents or married independent student is determined as follows:

"(i) If both the student and the student's spouse were employed in the year for which their income is reported and both have their incomes reported in determining the expected family contribution, such offset is equal to the lesser of \$2,100 or 35 percent of the earned income (income earned by work) of the spouse with the lesser earned income.

"(ii) If a student qualifies as a head of household as defined in section 2 of the Internal Revenue Code of 1986, such offset is equal to the lesser of \$2,100 or 35 percent of the student's earned income.

"(C) For any award year after award year 1987–1988, this paragraph shall be applied by increasing the dollar amount specified in subparagraphs (A) and (B) to reflect increases in the amount and percent of the Bureau of Labor Standards Budget of the marginal costs for meals away from home, apparel and upkeep, transportation, and housekeeping services for a two-person worker versus a one-worker family.

"(4) EXCLUDABLE INCOME.—(A) The term 'excludable income' means the income described in subparagraph (B) which shall be excluded for the purpose of determining 'annual adjusted family income' under paragraph (1).

"(B) For the purpose of determining adjusted family income exclude the following:

"(i) For a Native American student, the annual adjusted family income does not include any income and assets of \$2,000 or less per individual payment received by the student (and spouse) and student's parents under the Act commonly referred to as the Per Capita Act (25 U.S.C. 117b) or the Indian Tribal Judgment Funds Use or Distribution Act (25 U.S.C. 1401 et seq.) or any income received by the student (and spouse) and student's parents under the Alaska Native Claims Settlement Act (43 U.S.C. 1601 et seq.) or the Maine Indians Claims Settlement Act (25 U.S.C. 1721 et seq.).

"(ii) In the case of a student who is divorced or separated, or whose spouse has died, the spouse's income shall not be considered in determining the effective family income.

"(iii) The annual adjusted family income does not include any student financial assistance (including any income earned from work under part C of this title) except veterans' or social security benefits set forth in paragraph (6) of this subsection.

"(5) FAMILY SIZE DETERMINATION.—(A) In determining family size in the case of a dependent student—

"(i) if the parents are not divorced or separated, family members include the student's parents, and the dependents of the student's parents including the student;

"(ii) if the parents are divorced or separated, family members include the parent whose income is included in computing the effective family income and that parent's dependents, including the student; and

"(iii) if the parents are divorced and the parent whose income is so included is remarried, or if the parent was a widow or widower who has remarried, family members also include, in addition to those individuals referred to in subparagraph (B), the new spouse and any dependents of the new spouse if that spouse's income is included in determining effective family income.

"(B) In determining family size in the case of an independent student with dependents—

"(i) family members include the student, the student's spouse, and the student's dependents; and

"(ii) if the student is divorced or separated, family members do not include the spouse (or ex-spouse), but do include the student and the student's dependents."

#### SEC. 466. DEFINITIONS.

Section 481 of the Act (20 U.S.C. 1088) is amended—

(1) in subsection (a)—

(A) by redesignating subparagraphs (A) through (D) as clauses (i) through (iv), respectively;

(B) by inserting "(A)" after "(1)";

(C) in the matter preceding clause (i) of paragraph (1)(A) (as redesignated in subparagraphs (A) and (B)), by inserting "and subparagraph (B)" after "subsection (e)"; and

(D) by inserting at the end thereof the following new subparagraph:

"(B) Any entity shall not be considered to be an institution of higher education pursuant to subparagraph (A), if such entity—

"(i) offers more than 50 percent of such entity's courses by correspondence;

"(ii) has a student enrollment in which more than 25 percent of the students are incarcerated;

"(iii) employs or uses commissioned salesmen in any phase of its operation; or

"(iv) has a student enrollment in which more than 50 percent of the students are admitted pursuant to section 484(d).";

(2) in paragraph (1) of subsection (b), by striking "not less than a 6-month program" and inserting "an eligible program";

(3) in paragraph (1) of subsection (c), by striking "not less than a 6-month program" and inserting "an eligible program"; and

(4) by amending subsection (d) to read as follows:

"(d) ACADEMIC YEAR.—For the purpose of this title, the term 'academic year' shall mean—

"(1) 900 clock hours;

"(2) 36 quarter credit hours; or

"(3) 24 semester credit hours."; and

(5) by adding at the end thereof the following new subsections:

"(f) ELIGIBLE PROGRAM.—For the purpose of this title the term 'eligible program' means a program of—

"(1) 600 clock hours of instruction, 16 semester hours, or 24 quarter hours, offered during a minimum of 20 weeks, in the case of a program that—

"(A) provides educational training; and

"(B) admits students who have not completed the equivalent of an associate's degree; or

"(2) 300 clock hours of instruction, 8 semester hours, or 12 quarter hours, offered during a minimum of 10 weeks, in the case of—

"(A) undergraduate programs that require the equivalent of an associate degree for admissions; and

"(B) all graduate and professional programs.

"(g) ORIGINATION RELATIONSHIP.—For purposes of this title, the term 'origination relationship' means a special relationship—

"(1) under which the lender delegates to the school substantial loan-making functions normally performed by lenders in making loans under this title; and

"(2) which is evidenced by—

"(A) a written agreement between the school and the lender providing for such delegation; or

"(B) the school, with the consent of the lender, completing the lender's section of the loan application on behalf of the lender and signing such application as agent for the lender."

#### SEC. 467. MASTER CALENDAR.

Subsection (c) of section 482 of the Act (20 U.S.C. 489(c)) is amended by striking "the general administration of".



## SEC. 468. FORMS AND REGULATIONS.

Section 483 of the Act (20 U.S.C. 1090) is amended—

(1) in subsection (a)—  
(A) in paragraph (1)—

(i) by inserting “, publish and distribute free of charge” after “shall prescribe”;

(ii) by inserting “, to identify students for mandatory adjustments under section 479A(c)” before “and to determine the need”;

(iii) by inserting after the first sentence thereof the following: “The Secretary shall print, distribute and process one such reporting form. The Secretary shall prescribe a common reapplication form and process for students who have completed the common financial reporting form in a prior year.”;

(iv) by inserting “on at least a half-time basis” after “are enrolled or accepted for enrollment”; and

(v) by striking the period at the end of the paragraph and inserting a comma and the following: “except that such State data may not be combined with the required Federal data on the common form.”; and

(B) in paragraph (2), by inserting after the first sentence thereof “The Secretary is authorized to use such contracts to assist States with collection of data required to award State grants.”;

(C) by redesignating paragraphs (3), (4), and (5) as paragraphs (4), (5), and (6), respectively; and

(D) by inserting the following new paragraph after paragraph (2):

“(3) As part of the procurement process for the 1993–1994 award year, and for all procurements thereafter pertaining to the contracts identified in paragraph (2) of this subsection, the Secretary shall require all entities competing for such contracts to—

“(A) use a common financial reporting form as prescribed in paragraph (1), which shall be clearly identified as the ‘Free Application for Federal Student Aid’ and shall be clearly distinguished from the non-Federal portion of the form by means of a bold line, bold print, clear instructions, or other appropriate means;

“(B) use a common, simplified reapplication form as the Secretary shall prescribe in each award year; and

“(C) determine the estimated marginal cost of collecting and processing additional non-Federal data elements that may be used by States for the purpose of awarding State assistance.”.

(2) in subsection (d)—

(A) in the matter preceding paragraph (1), by striking “the Secretary is authorized to enter into contracts with States, institutions of higher education and private organizations for the purpose of—” and inserting “the Secretary, as part of the contracts described in subsection (a)(2), shall—”;

(B) in paragraph (1) by striking “developing” and inserting “develop and process”;

(C) in paragraph (2)—

(i) by striking “distributing and processing” and inserting “distribute and process”; and

(ii) by inserting “and parents” after “students”; and

(D) in paragraph (3)—

(i) by striking “issuing” and inserting “issue”; and

(ii) by striking “index designed to estimate” and inserting “expected family contribution figure and an estimate of”;

(3) by amending subsection (f) to read as follows:

“(f) NOTICE OF STUDENT AID RECEIPT.—

“(1) NOTICE.—Each student receiving assistance under this title shall receive notice of receipt of such assistance.

“(2) DISTRIBUTION.—The notice described in paragraph (1) shall be distributed by participat-

ing institutions without limit to format, except that the program name, including the ‘Federal’ designation, shall be specified on such notice.”;

(4) by redesignating subsections (b), (c), (d), (e) and (f) (as amended in paragraphs (1), (2) and (3)) as subsections (c), (d), (e), (f) and (g), respectively;

(5) by inserting after subsection (a) the following new subsection:

“(b) COMMON GUARANTEED STUDENT LOAN APPLICATION FORM AND PROMISSORY NOTE.—

“(1) IN GENERAL.—The Secretary, in cooperation with representatives of guaranty agencies, eligible lenders, and organizations involved in student financial assistance, shall prescribe a common application form and promissory note to be used for applying for loans under part B of this title.

“(2) REQUIREMENTS.—The form prescribed by the Secretary shall, to the maximum extent practicable—

“(A) use plain English to facilitate understanding of loan terms and conditions by applicants;

“(B) be formatted to require the submission of the form directly by the applicant or the eligible institution in which the student is enrolled or has been accepted for enrollment and on which the applicant shall clearly indicate a choice of guarantor and lender; and

“(C) permit application for any loan under part B other than loans under section 428C.

“(3) DRAFT FORM.—The Secretary shall circulate a draft of the form developed pursuant to this subsection not later than 180 days after the date of enactment of the Higher Education Amendments of 1991 and shall approve a form for use not later than 360 days after the date of such Act.”; and

(6) by adding at the end the following new subsections:

“(h) COMMON DEFERMENT FORM.—The Secretary, in cooperation with representatives of guaranty agencies, institutions of higher education, and lenders involved in loans made under part B of this title, shall prescribe a common deferment reporting form to be used for the processing of deferments of loans made under this title.

“(i) SPECIAL RULE.—Any financial aid application required to be made under subpart 1 of part A or part B of this title shall include the name, signature, address, social security number, and organizational affiliation of the preparer of such financial aid application.”.

## SEC. 469. STUDENT ELIGIBILITY.

Section 484 of the Act (20 U.S.C. 1091) is amended—

(1) in paragraph (1) of subsection (a), by inserting “(including a program of study abroad approved for credit by the eligible institution)” after “or other program”;

(2) in subsection (b), by adding at the end the following new paragraph:

“(5) In order to be eligible to receive a loan made, insured or guaranteed under this title, a student may not be incarcerated.”;

(3) in subsection (d), by striking “approved by the Secretary” and inserting “that meets such standards for development, administration, and scoring as the Secretary may prescribe in regulations”;

(4) in subsection (g)—

(A) by inserting “fraudulently” before “borrowed” each place such term appears; and

(B) by adding at the end thereof the following: “If the institution determines that the student inadvertently borrowed amounts in excess of such annual or aggregate maximum loan limits, such institution shall allow the student to repay any amount borrowed in excess of such limits prior to certifying the student’s eligibility for further assistance under this title.”;

(5) by amending subsection (h) to read as follows:

“(h) VERIFICATION OF IMMIGRATION STATUS.—

“(1) IN GENERAL.—The Secretary shall implement a system under which the statements and supporting documentation, if required, of an individual declaring that such individual is in compliance with the requirements of subsection (a)(5) shall be verified prior to the individual’s receipt of a grant, loan, or work assistance under this title.

“(2) SPECIAL RULE.—The documents collected and maintained by an eligible institution in the admission of a student to the institution may be used by the student in lieu of the documents used to establish both employment authorization and identity under section 274A(b)(1)(B) of the Immigration and Nationality Act (8 U.S.C. 1324a) to verify eligibility to participate in work-study programs under part C of this title.

“(3) VERIFICATION MECHANISMS.—The Secretary is authorized to verify such statements and supporting documentation through a data match, using an automated or other system, with other Federal agencies that may be in possession of information relevant to such statements and supporting documentation.”;

(6) by redesignating subsection (k) as subsection (l); and

(7) by inserting after subsection (j) the following new subsection (k):

“(k) SPECIAL RULE FOR CORRESPONDENCE COURSES.—A student shall not be eligible to receive a grant, loan or work assistance under this title for a correspondence course unless such course is part of a program leading to an associate’s or bachelor’s degree.”.

## SEC. 470. STATUTE OF LIMITATIONS.

Section 484A of the Act (20 U.S.C. 1091(a)) is amended by adding at the end the following new subsection:

“(c) OTHER CLAIMS AND DEFENSES.—With respect to any loan made under part B of this title, except such loans where the lender is an eligible institution or has an origination relationship with such institution, a lender, holder, guaranty agency, or the Secretary shall not be subject to any claim or defense asserted by a borrower which is attributable to an act or failure to act by an educational institution attended by the borrower.”.

## SEC. 471. INFORMATION DISSEMINATION ACTIVITIES.

Section 485 of the Act (20 U.S.C. 1092) is amended—

(1) in paragraph (1) of subsection (a)—  
(A) by striking “and” at the end of subparagraph (K);

(B) by striking the period at the end of subparagraph (L) (as added by section 1 of Public Law 101–542) and inserting a semicolon;

(C) by redesignating subparagraph (L) (as added by section 201 of Public Law 101–610) as subparagraph (M);

(D) by striking the period at the end of subparagraph (M) (as redesignated in paragraph (3)) and inserting a semicolon and “and”; and

(E) by adding at the end thereof the following new subparagraph:

“(N) that enrollment in a program of study abroad approved for credit by the home institution may be considered enrollment in the home institution for purposes of applying for Federal student financial assistance.”; and

(2) in subsection (b)—

(A) by amending the subsection heading for subsection (b) to read as follows: “EXIT COUNSELING FOR BORROWERS; BORROWER INFORMATION.—”;

(B) by striking “Each” and insert “(1) Each”;

(C) by redesignating paragraphs (1), (2), and (3) as subparagraphs (A), (B), and (C), respectively; and

(D) by inserting at the end thereof the following new paragraph:

“(2) STUDENT INFORMATION.—(A) Each eligible institution shall require that the borrower of a

loan made under part B or E submit to the institution, during the exit interview required by this subsection—

"(i) the borrower's expected permanent address after leaving the institution (regardless of the reason for leaving);

"(ii) the name and address of the borrower's expected employer after leaving the institution;

"(iii) the address of the borrower's next of kin; and

"(iv) any corrections in the institution's records relating the borrower's name, address, social security number, references, and driver's license number.

"(B) The institution shall, within 60 days after the interview, forward any corrected or completed information received from the borrower to the lender and the guaranty agency indicated on the borrower's student aid records."

#### SEC. 472. NATIONAL STUDENT LOAN DATA SYSTEM.

Section 485B of the Act (20 U.S.C. 1093) is amended—

(1) in subsection (a)—

(A) by striking "and loans made under part E" and inserting "and E and for allowing electronic exchange of data between program participants and the system"; and

(B) by inserting after the first sentence thereof the following new sentence: "Such data system shall provide for monitoring enrollment, student status, and internship and residency information."; and

(2) by adding at the end the following new subsection:

"(e) STANDARDIZATION OF DATA REPORTING.—

"(1) IN GENERAL.—The Secretary shall promulgate standard regulations and procedures (including necessary rules and relevant definitions) that require all lenders and guaranty agencies to report information on all aspects of loans made under this part in uniform formats in order to permit the direct comparison of data submitted by individual lenders, servicers or guaranty agencies.

"(2) ACTIVITIES.—For the purpose of establishing standards under this section, the Secretary shall—

"(A) consult with guaranty agencies, lenders, institutions of higher education, and organizations representing the groups described in paragraph (1);

"(B) develop standards designed to be implemented by all guaranty agencies and lenders with minimum modifications to existing data processing hardware and software; and

"(C) publish the specifications selected to be used to encourage the automation of exchanges of information between all parties involved in loans under this part.

"(3) MODERN DATA PROCESSING.—The Secretary is authorized to use modern data processing to reduce the administrative expenses of operating the data system assisted under this section."

#### SEC. 473. SIMPLIFICATION OF THE LENDING PROCESS FOR BORROWERS.

Part G of title IV of the Act (20 U.S.C. 1088 et seq.) is amended by inserting after section 485B the following new section:

#### "SEC. 485C. SIMPLIFICATION OF THE LENDING PROCESS FOR BORROWERS.

"(a) ALL LIKE LOANS TREATED AS ONE.—To the extent practicable, and with the cooperation of the borrower, eligible lenders shall treat all loans made to a borrower under the same section of part B as one loan and shall submit one bill to the borrower for the repayment of all such loans for the monthly or other similar period of repayment. Any deferrals on one such loan will be considered a deferral on the total amount of all such loans. In the case of a default, the entire amount of all such loans shall be considered to be in default.

"(b) ONE LENDER, ONE GUARANTY AGENCY.—To the extent practicable, and with the cooperation of the borrower, the guaranty agency shall ensure that a borrower only have one lender, one holder, one guaranty agency, and one servicer with which to maintain contact."

#### SEC. 474. INSTITUTIONAL REFUNDS.

Section 486 of the Act (20 U.S.C. 1093) is repealed.

#### SEC. 475. EARLY AWARENESS INFORMATION PROGRAM.

Part G of title IV of the Act is further amended by inserting after section 486 the following new section:

#### "SEC. 486A. EARLY AWARENESS INFORMATION PROGRAM.

"(a) PROGRAM AUTHORIZED.—The Secretary is authorized to enter into contracts with appropriate public agencies, nonprofit private organizations, and institutions of higher education to conduct an information program designed to broaden the early awareness of postsecondary educational opportunities by secondary school students and their parents, including publicizing—

"(1) the availability of Federal student assistance under this Act;

"(2) the importance of postsecondary education in long-term career planning; and

"(3) the need and necessity to complete a secondary education program successfully in order to meet the requirements for college.

"(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated \$15,000,000 for fiscal year 1993, and such sums as may be necessary for each of the 6 succeeding fiscal years to carry out this section."

#### SEC. 476. PROGRAM PARTICIPATION AGREEMENTS.

Subsection (a) of section 487 of the Act (20 U.S.C. 1094(a)) is amended—

(1) in subsection (a)—

(A) in paragraph (3), by inserting before the period a comma and the following: "together with assurances that the institution will provide upon request and in a timely fashion, information relating to the administrative capability and financial responsibility of the institution to—

"(A) the Secretary;

"(B) the appropriate State agency designated under section 495(c); and

"(C) the appropriate accrediting agency or association"; and

(B) by adding at the end the following new paragraphs:

"(13) The institution will not deny any form of Federal financial aid to any student who meets the eligibility requirements of this Act on the grounds that the student is participating in a program of study abroad approved for credit by the institution.

"(14) In the case of any institution (other than a public nonprofit institution) participating in loan programs under this title for the first time or with a guaranty agency for such first time, such institution shall be allowed a total loan volume of no more than—

"(A) \$1,000,000 for such institution's first year of participation; and

"(B) 150 percent of the previous year's total loan volume for such institution's second, third, and fourth years of participation,

if such institution's performance complies with the minimum standards of the Secretary or the guaranty agency.

"(15) The institution shall use the same definition of 'academic year' for all purposes authorized by this title.

"(16) The institution shall develop a default management plan for approval by the Secretary as part of such institution's initial application for certification as an eligible institution and shall implement such plan for 2 years thereafter.

"(17) Any institution which changes ownership and any institution which changes its status as a parent or subordinate institution shall develop a default management plan for approval by the Secretary and implement such plan for 2 years after such institution's change of ownership or status.

"(18) The institution will provide assurances that the institution will cooperate whenever the Secretary, a guaranty agency, an accrediting agency or association and a State agency designated under section 495(c) need to share information relating to the eligibility of the institution to participate in the programs authorized by this title.

"(19) The institution will comply with such other provisions as the Secretary deems necessary to the sound administration of financial aid programs."

(2) in paragraph (2) of subsection (b), by striking "on the record"; and

(3) in subsection (c)—

(A) in paragraph (1)—

(i) in clause (i) of subparagraph (A), by striking "2 years" and inserting "year";

(ii) in subparagraph (B), by inserting ", including any matter the Secretary deems necessary to the sound administration of the financial aid programs, such as the pertinent actions of any owner, shareholder, or person exercising control over an eligible institution" before the semicolon at the end thereof;

(iii) in subparagraph (D), by striking "on the record";

(B) in paragraph (2)—

(i) in subparagraph (A), by striking "on the record"; and

(ii) in the matter preceding subclause (1) of subparagraph (B)(i), by striking "on the record";

(C) in paragraph (3) by inserting ", after consultation with each State agency designated under section 495(c), after 'shall publish'"; and

(D) by adding at the end the following new paragraph:

"(4) The Secretary shall make readily available to appropriate guaranty agencies, eligible lenders, State agencies designated under section 495(c), and accrediting agencies or associations the results of the audits of eligible institutions conducted pursuant to paragraph (1)(A)."

#### SEC. 477. ASSIGNMENT OF IDENTIFICATION NUMBERS.

Part G of title IV of the Act is further amended by inserting after section 487 the following new section:

#### "SEC. 487A. ASSIGNMENT OF IDENTIFICATION NUMBERS.

"The Secretary shall assign to each institution of higher education, lender and guaranty agency participating in a program assisted under this title an identification number to be used to identify each such entity's participation in any such program."

#### SEC. 478. TRANSFER OF ALLOTMENTS.

Section 488 of the Act (20 U.S.C. 1095) is amended by striking "10 percent" and inserting "25 percent".

#### SEC. 479. CRIMINAL PENALTIES.

Section 490 of the Act (20 U.S.C. 1097) is amended to read as follows:

"(a) IN GENERAL.—Any person who knowingly and willfully embezzles, misapplies, steals, obtains by fraud, false statement, or forgery, or fails to refund any funds, assets, or property provided or insured under this title or attempts to so embezzle, misapply, steal, obtain by fraud, false statement or forgery, or fail to refund any funds, assets, or property, shall be fined not more than \$20,000 or imprisoned for not more than 5 years, or both, except if the amount so embezzled, misapplied, stolen, obtained by fraud, false statement, or forgery, or failed to be refunded does not exceed \$200, then the fine



shall not be more than \$5,000 and imprisonment shall not exceed one year, or both.

"(b) **ASSIGNMENT OF LOANS.**—Any person who knowingly and willfully makes any false statement, furnishes any false information, or conceals any material information in connection with the assignment of a loan which is made or insured under this title or attempts to so make any false statement, furnish any false information, or conceal any material information in connection with such assignment shall, upon conviction thereof, be fined not more than \$10,000 or imprisoned for not more than one year, or both.

"(c) **INDUCEMENTS TO LEND OR ASSIGN.**—

"(1) **IN GENERAL.**—Any person who knowingly and willfully makes an unlawful payment to an eligible lender under part B or attempts to make such unlawful payment as an inducement to make, or to acquire by assignment, a loan insured under such part shall, upon conviction thereof, be fined not more than \$10,000 or imprisoned for not more than one year, or both.

"(2) **SPECIAL RULE.**—Nothing in this section shall prohibit an institution of higher education or other party from participating in programs authorized under section 492 of this Act.

"(d) **OBSTRUCTION OF JUSTICE.**—Any person who knowingly and willfully destroys or conceals any record relating to the provision of assistance under this title or attempts to so destroy or conceal with intent to defraud the United States or to prevent the United States from enforcing any right obtained by subrogation under this part, shall upon conviction thereof, be fined not more than \$20,000 or imprisoned not more than 5 years, or both.

"(e) **USE OF FUNDS RECEIVED.**—All funds received by the Department as a result of penalties assessed by this section shall be deposited into the account for subpart 1 of part A of title IV, and allocated to students through the Pell Grant Program."

**SEC. 480. ADVISORY COMMITTEE ON STUDENT FINANCIAL ASSISTANCE.**

Section 491 of the Act (20 U.S.C. 1098) is amended—

(1) in subsection (d)—

(A) by striking "and" at the end of paragraph (6);

(B) by striking the period at the end of paragraph (7) and inserting a semicolon and "and"; and

(C) by adding at the end the following new paragraph—

"(8) make special efforts to advise Members of Congress and such Members' staff of the findings and recommendations made pursuant to this paragraph."

(2) in paragraph (4) of subsection (h)—

(A) by striking "in accordance with" and inserting "without regard to"; and

(B) by inserting "and to set pay in accordance with such section" before the period at the end;

(3) in subsection (i), by striking "\$500,000" and inserting "\$750,000"; and

(4) by amending subsection (j) to read as follows:

"(j) **SPECIAL ANALYSES AND ACTIVITIES.**—The committee shall—

"(1) monitor and evaluate the program modifications resulting from the enactment of the Higher Education Amendments of 1991, especially as such amendments relate to the student aid methodology;

"(2) monitor and evaluate the implementation of a free common form and process for determining eligibility and awards for programs under this title as well as a simplified reapplication process;

"(3) assess the adequacy of current methods for disseminating information about programs under this title and recommend improvements, as appropriate, regarding early needs assess-

ment and information for first-year high school students; and

"(4) assess the adequacy of methods of monitoring student debt burden."

**SEC. 481. GENERAL PROVISIONS.**

(a) **IN GENERAL.**—Part G of title IV of the Act is further amended by adding at the end the following new sections:

**"SEC. 492. INSTITUTIONAL AND LENDER SUPPORT FOR DEFAULT REDUCTION.**

"(a) **IN GENERAL.**—Notwithstanding any other provision of this Act, institutions of higher education, lenders (including secondary markets), and loan servicers are authorized to enter into contracts and make payments to any party to provide for—

"(1) collection on loans made under this title supplementing the collection efforts required under applicable program regulations;

"(2) additional borrower counseling;

"(3) support for programs authorized under section 432(k) regarding incentives for employer repayment of such loans; and

"(4) any other activity the Secretary determines to be in furtherance of the goal of reducing defaults on loans made, insured, or guaranteed under this title.

"(b) **SPECIAL RULE.**—Contracts and payments made under this part shall reflect the actual cost of services provided or received, as documented according to rules issued by the Secretary.

**"SEC. 493. STUDY ABROAD.**

"Nothing in this Act shall be construed to limit or otherwise prohibit access to approved study abroad programs. Students who are otherwise eligible who are engaged in a program of study abroad approved for academic credit by the student's home institution are eligible for assistance under this title. It is not necessary for such a study abroad program to be required as part of the student's degree program to qualify for such assistance.

**"SEC. 494. ASSISTANCE FROM THE COMMISSIONER OF SOCIAL SECURITY ADMINISTRATION.**

"The Commissioner of the Social Security Administration, or the Commissioner's designee, is authorized to assist the Secretary in determining if borrowers of loans under the Robert T. Stafford Student Loan Program are using true and correct social security numbers when applying for such loans.

**"SEC. 494A. REGIONAL MEETINGS AND NEGOTIATED RULEMAKING.**

"(a) **MEETINGS.**—

"(1) **IN GENERAL.**—The Secretary shall convene regional meetings to obtain public involvement in the development of proposed regulations implementing the amendments made to this title by the Higher Education Amendments of 1991. Such meetings shall include individuals and representatives of the groups involved in student loan programs, such as students, institutions of higher education, guaranty agencies, lenders, secondary markets, loan servicers, guaranty agency servicers, and collection agencies.

"(2) **ISSUES.**—During such meetings, the Secretary shall provide for a comprehensive discussion and exchange of information concerning the implementation of the amendments made to this title by the Higher Education Amendments of 1991. The Secretary shall take into account the information received at such meetings in the development of proposed regulations and shall publish a summary of such information in the Federal Register together with such proposed regulations.

"(b) **DRAFT REGULATIONS.**—After holding regional meetings and before publishing proposed regulations in the Federal Register, the Secretary shall prepare draft regulations implementing the amendments made to this title by the Higher Education Amendments of 1991 and

shall submit such regulations to a negotiated rulemaking process. The Secretary shall follow the guidance provided in sections 305.82-4 and 305.82-5 of chapter 1, Code of Federal Regulations, and any successor recommendation, regulation, or law. Participants in the negotiations process shall be chosen by the Secretary from individuals nominated by groups participating in the regional meetings described in subsection (a)(1), and shall include both representatives of such groups from Washington, D.C., and industry participants. To the extent possible, the Secretary shall select individuals reflecting the diversity in the industry, representing both large and small participants, as well as individuals serving local areas and national markets. The negotiation process shall be conducted in a timely manner in order that the final regulations may be issued by the Secretary within the 240-day period described in section 431(g) of the General Education Provisions Act.

"(c) **APPLICABILITY OF FEDERAL ADVISORY COMMITTEE ACT.**—The Federal Advisory Act shall not apply to activities carried out under this section.

"(d) **AUTHORIZATION OF APPROPRIATIONS.**—There are authorized to be appropriated in any fiscal year or made available from funds appropriated to carry out this part in any fiscal year such sums as may be necessary to carry out the provisions of this section."

(b) **CONFORMING AMENDMENT.**—Paragraph (1) of section 432(a) of the Act (20 U.S.C. 1082(a)) is amended by inserting "pursuant to section 494A" after "regulations".

**SEC. 482. INSTITUTIONAL INTEGRITY PROGRAM REQUIRED.**

(a) **GENERAL RULE.**—Part G of title IV of the Act (as amended in section 483) is further amended—

(1) by inserting after the heading for part G the following:

"Subpart 1—Miscellaneous General Provisions"; and

(2) by adding after section 494 (as added by section 483) the following new subpart:

"Subpart 2—Institutional Integrity

**"SEC. 495. STATE INSTITUTIONAL INTEGRITY STANDARDS.**

"(a) **STANDARDS REQUIRED.**—

"(1) **IN GENERAL.**—Each State, through the State agency designated under subsection (c), shall establish and carry out standards for the authorization of institutions of higher education within the State to provide education and training beyond secondary education designed to assure the integrity and accountability of such institutions within the State, and to assure compliance with the provisions of this title. The standards required by this section shall be developed after consultation with the State agency for higher education, institutions of higher education within the State, and other appropriate public agencies and private organizations within the State.

"(2) **APPROVAL.**—The standards described in paragraph (1) must be approved by the Secretary with such approval including the Secretary's determination that the standards will contribute to assuring compliance with the provisions of this title.

"(b) **CONTENT OF STANDARDS.**—The standards required by this section shall be designed to address the issues of consumer protection, consumer information, fiscal and administrative capacities, compliance with applicable Federal and State laws, due process and review procedures, performance standards, and information sharing. Such standards shall include—

"(1) procedures and requirements which will protect students enrolled at institutions of higher education within the State in the case of the closure of any such institution of higher education, which may include—

"(A) the provision of instruction for students in the event of school closure;

"(B) the retention of the records of students in the event of such closure;

"(C) the provision of a performance bond; and

"(D) a State tuition refund program, including procedures for establishing liability for refund payments;

"(2) a fair and equitable student refund policy for institutions of higher education within the State which meets the requirements described in subsection (e), including procedures to assure the timely payment of refunds;

"(3) procedures and requirements for the maintenance of student records;

"(4) a consumer protection policy for students enrolled in institutions of higher education in the State;

"(5) a process for the investigation and resolution of complaints by students enrolled in the institutions of higher education within the State;

"(6) requirements and procedures for assuring the accuracy and integrity of advertising and promotion and student recruitment by institutions of higher education within the State;

"(7) review of the adequacy of facilities at institutions of higher education within the State, and compliance with relevant safety and health standards, such as fire, building and sanitation codes;

"(8) an adequate student disclosure policy, including—

"(A) disclosure of current information regarding the institution's performance standards described in section 499A; and

"(B) assurances that institutions meet the requirements under sections 463A and 485 of this title for the provision of institutional and financial assistance information to students;

"(9) the provision to students by institutions of higher education of relevant information and services, which may include—

"(A) information relating to market and job availability, where appropriate;

"(B) information regarding courses which exceed standards for State licensure in specific occupations, where appropriate; and

"(C) information regarding course cancellation procedures and rights;

"(10) procedures and requirements relating to the financial and administrative capacities of institutions of higher education, which may include—

"(A) determination of sufficiency of operating funds;

"(B) establishment of minimum assets to liabilities ratios;

"(C) consideration of past performance of institutions or persons in control of such institutions with respect to student aid programs;

"(D) provision of independently audited financial reports; and

"(E) maintenance of records;

"(11) procedures for determining compliance with Federal student aid requirements;

"(12) the professional qualifications of administrators and instructors at institutions of higher education within the State that are necessary to comply with State law;

"(13) procedures and requirements for establishing minimum and maximum course length requirements, where appropriate, including procedures for advising the Secretary of instances where programs are engaged in hour inflation or where 600-hour courses are not appropriate in length to the instruction involved;

"(14) procedures for assuring that occupationally related education programs are adequate to permit students to meet State licensing requirements in the occupation for which training is provided, where appropriate;

"(15) a periodic schedule for on-site visits to institutions of higher education within the

State, including a process for establishing priorities for such reviews;

"(16) a due process procedure under State law or State regulation relating to the withdrawal of, or failure to renew, the license of any institution of higher education within the State, as appropriate, to operate or continue to operate within the State;

"(17) the maintenance and enforcement of student performance standards at institutions of higher education within the State, including satisfactory academic progress and attendance; and

"(18) procedures for timely notification to the Department of Education, guaranty agencies, and accreditation agencies of information about an institution of higher education or, where appropriate, the pertinent actions of any owner, shareholder, or person exercising control over the educational institution which may adversely affect eligibility for programs under this title.

"(c) DESIGNATION OF STATE AGENCY OR OFFICIAL.—

"(1) DESIGNATION.—Each State shall designate, for the purpose of this title, a single State agency or official to be responsible for the conduct or coordination of the enforcement of the standards prescribed in the State pursuant to subsections (a) and (b), including the certification that all relevant licensing authorities within the State are complying with the standards so prescribed.

"(2) REPORT.—The State shall report on the enforcement responsibilities carried out under this section to the appropriate accrediting agency or association and to the Department on—

"(A) any negative action taken by the State with respect to the licensing or authorizing of the institution of higher education to provide an educational program within the State, including any action denying, suspending, or terminating the authority of such institution to operate within the State; and

"(B) the final results of on-site reviews of such institutions.

"(3) FEE.—The State agency designated under this subsection is authorized to charge a fee to institutions of higher education within the State to carry out the responsibilities of the State under this section.

"(4) CONSORTIA.—The Secretary may permit the States to form consortia to meet the standards described in subsection (b).

"(d) FAILURE TO COMPLY.—

"(1) IN GENERAL.—Whenever the Secretary determines that a State has not established and carried out standards in accordance with subsections (a) and (b), the Secretary may not base the determination of eligibility under section 481 of an institution of higher education within that State on any action by the State of licensing or authorizing an institution of higher education to provide education and training beyond secondary education, but the Secretary may make independent determinations with respect to such institutions within the State.

"(2) DETERMINATION.—The Secretary is authorized to take the actions described in paragraph (3) whenever the Secretary determines that a State has not—

"(A) established standards in accordance with subsections (a) and (b);

"(B) carried out the standards so as to assure that the standards are met; or

"(C) designated a State agency in accordance with subsection (c).

"(3) ACTIONS.—The actions the Secretary is authorized to take as a result of the determination in paragraph (2) are as follows:

"(A) Act as the State agency described in subsection (c) to carry out standards prescribed by the Secretary under subsection (e), or to carry out the standards established by the State, as the case may be.

"(B) Designate the appropriate guaranty agency in that State to carry out the standards prescribed by the Secretary under subsection (e), or to carry out the standards established by the State, as the case may be.

"(C) Permit another State's agency described in subsection (c) to certify that the institutions of higher education within the State meet the standards set forth in subsection (b).

"(e) FAIR AND EQUITABLE REFUND POLICY.—

"(1) IN GENERAL.—The State's education refund policy shall be considered to be fair and equitable for purposes of this section if the policy provides for a refund in an amount of at least the largest of the amounts determined pursuant to—

"(A) the requirements of applicable State law;

"(B) the specific refund requirements established by an institution's nationally recognized accrediting agency and approved by the Secretary; or

"(C) the pro rata refund described in paragraph (2), except that this paragraph shall not apply to the institution's refund policy for any student whose date of withdrawal from the institution is after the halfway point (in time) in the period of enrollment for which the student has been charged.

"(2) PRO RATA REFUND.—As used in this section, the term 'pro rata refund' means a refund by the institution to a student attending such institution for the first time of not less than that portion of the tuition, fees, room and board, and other charges assessed the student by the institution equal to the portion of the period of enrollment for which the student has been charged that remains on the last day of attendance by the student.

"(3) REFUND CREDIT.—For purposes of this section, a refund first shall be credited against any loan assistance and second against any grant awarded a student under this title for the period of enrollment.

"(f) MODEL STANDARDS REQUIRED.—The Secretary shall, for the purpose of this section, prescribe model standards in accordance with subsections (a) and (b) of this section.

"(g) IMPLEMENTATION PROVISIONS.—

"(1) IN GENERAL.—The Secretary may not enforce the requirements of subsection (d) before 1 year after the date of enactment of this section.

"(2) WAIVER PERMITTED.—Whenever the Secretary determines that a State is making marked and definable progress toward carrying out this section or that the legislature of the State needs to act, the Secretary may waive the provisions of subsection (d) for such time as the Secretary may prescribe, but in no event shall the Secretary waive the provisions of subsection (d) for a period in excess of 1 year.

"(h) GRANTS.—

"(1) IN GENERAL.—The Secretary is authorized to award grants to States to assist States in defraying the additional costs related to the development and implementation of standards required by this section.

"(2) SUPPLEMENTATION.—Grant funds under this subsection shall be used to supplement and not supplant any other funds available to a State to carry out the activities described in this section.

"(3) APPLICATION.—Each State desiring a grant under this subsection shall submit an application to the Secretary at such time, in such manner, and containing or accompanied by such information as the Secretary may reasonably require.

"(4) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated \$10,000,000 for fiscal year 1993 and such sums as may be necessary for each of the 6 succeeding fiscal years to carry out this subsection.

"SEC. 496. APPROVAL OF ACCREDITING AGENCY OR ASSOCIATION.

"(a) STANDARDS REQUIRED.—No accrediting agency or association may be approved by the



Secretary for the purposes of establishing institutional eligibility under this title, unless the agency or association meets the standards established by the Secretary pursuant to this section. The Secretary shall, after notice and opportunity for a hearing, establish the standards. The standards shall require that—

"(1) the accrediting agency or association, shall be a State, regional or national agency or association, and shall demonstrate the ability and the experience to operate as an accrediting agency or association within the State, region or nationally, as appropriate;

"(2) such agency or association—

"(A) has a voluntary membership of institutions of higher education and has as its principal purpose the accrediting of institutions of higher education, or

"(B) is a State agency approved by the Secretary for the purpose described in subparagraph (A);

"(3) if such agency or association is an agency or association described in subparagraph (A) of paragraph (2), such agency or association is separate and independent, both administratively and financially;

"(4) such agency or association will apply standards of accreditation that ensure that the services, curricula, faculty, facilities, and fiscal resources of the institutions of higher education are of sufficient quality to ensure that each such institution can provide the education and training to be offered;

"(5) such agency or association will apply procedures throughout the accrediting process, including evaluation and withdrawal proceedings, that comply with due process including—

"(A) adequate specification of requirements and deficiencies at the institution of higher education being examined;

"(B) notice of an opportunity for a hearing to any such institution;

"(C) the right to appeal from any adverse action against any such institution; and

"(D) the right to representation by counsel for any such institution; and

"(6) such agency or association will apply standards of accreditation that ensure the quality and content of each course of study or program of instruction, training, or study of the institution of higher education may reasonably and adequately be expected to achieve the stated objective for which the course or program is offered.

"(b) SEPARATE AND INDEPENDENT DEFINED.—For the purpose of paragraph (3) of subsection (a), the term 'separate and independent', as applied to agencies and associations described in subparagraph (A) of subsection (a)(2), means that—

"(1) the members of the accrediting agency or association are not elected or selected by the board or chief executive officer of any associated or affiliated trade association or membership organization;

"(2) at least 25 percent of the members of the accrediting agency or association are representative of the general public (not members of the related trade or membership organization), and guidelines are established for such members to avoid conflicts of interest;

"(3) dues to the accrediting agency or association are paid separately from any dues payment to the trade or membership organization; and

"(4) the budget of the accrediting agency or association is developed and determined by the accrediting agency or association without review or resort to consultation with any other entity or organization.

"(c) OPERATING PROCEDURES REQUIRED.—No accrediting agency or association may be approved by the Secretary for the purpose of this title, unless the agency or association—

"(1) performs at regularly established intervals on-site inspections and reviews of institu-

tions of higher education (at least one such visit at each institution that provides vocational education and training should be unannounced), with particular focus on educational quality and program effectiveness, and assures that team members are well-trained and knowledgeable with respect to their responsibilities;

"(2) requires institutions of higher education subject to its jurisdiction which plan to establish a branch campus to submit a business plan, including projected revenues and expenditures, prior to opening the branch campus;

"(3) agrees to conduct within one year of the establishment of a new branch of an institution of higher education an on-site visit of that branch campus, and to conduct, within one year after a change of ownership of an institution of higher education, an on-site visit of that institution;

"(4) maintains and makes publicly available written materials regarding standards and procedures for accreditation, appeal procedures, and the accreditation status of each institution of higher education subject to its jurisdiction; and

"(5) discloses publicly whenever an institution of higher education subject to its jurisdiction is due for accreditation or reaccreditation.

"(d) REPORTING REQUIREMENTS.—No accrediting agency or association may be approved by the Secretary for the purpose of this title, unless the agency or association reports, within 30 days of—

"(1) any negative action with respect to the accreditation of an institution of higher education, including denial, suspension, or termination of such accreditation; and

"(2) the final results of any on-site review of an institution of higher education together with the comments of the affected institution;

to the Secretary and to the agency designated under section 495 of the State in which the institution of higher education is located.

"(e) INITIAL ARBITRATION RULE.—Whenever the Secretary determines eligibility under section 481, the Secretary may not recognize the accreditation of any institution of higher education under either section, unless the institution of higher education agrees to submit any dispute involving the denial, withdrawal, or termination of accreditation to initial arbitration prior to any other legal action.

"(f) JURISDICTION PROVISION.—Notwithstanding any other provision of law, any civil action brought by an institution of higher education seeking accreditation from, or accredited by, an accrediting agency or association approved by the Secretary for the purpose of this title, involving the denial, withdrawal or termination of accreditation of the institution of higher education shall be brought in the appropriate United States district court.

#### "SEC. 497. SPECIAL ACCREDITATION RULES.

"(a) NEW ACCREDITATION RULE.—Whenever the Secretary determines eligibility under section 481, the Secretary may not recognize the accreditation of any eligible institution of higher education under either section if the institution of higher education is in the process of receiving a new accreditation or changing its accrediting agency or association, unless the eligible institution submits to the Secretary all materials relating to the prior accreditation, including materials demonstrating reasonable cause for changing the accrediting agency or association.

"(b) DUAL ACCREDITATION RULE.—Whenever the Secretary determines eligibility under section 481 the Secretary shall not recognize the accreditation of any eligible institution of higher education if the institution of higher education is accredited by more than one accrediting agency or association, unless the institution of higher education submits to each such agency and association and to the Secretary the reasons for

the accreditation by more than one such agency or association.

"(c) IMPACT OF LOSS OF ACCREDITATION.—An institution may not be certified or recertified as an institution of higher education under section 481(a) if such institution has—

"(1) had its institutional accreditation withdrawn, revoked, or otherwise terminated for cause during the preceding 24 months; or

"(2) withdrawn from institutional accreditation voluntarily under a show cause or suspension order during the preceding 24 months unless—

"(A) such institution has been restored by the same accrediting agency which has accredited it prior to the withdrawal, revocation, or termination; or

"(B) the institution has demonstrated its academic integrity to the satisfaction of the Secretary in accordance with section 1201(a)(5) (A) or (B) of this Act.

#### "(d) ACCREDITATION ORDERLY PROCEDURE RULE.—

"(1) SUSPENSION OF APPROVAL.—The Secretary is authorized to suspend the approval of an accrediting agency or association if the Secretary determines, after notice and opportunity for a hearing, that the accrediting agency or association has accredited an institution of higher education in violation of paragraph (2).

"(2) VIOLATIONS.—Paragraph (1) applies if the institution of higher education seeks and receives accreditation from the accrediting agency or association during any period in which the institution is the subject of any interim action by another accrediting agency or association leading to the suspension, revocation, or termination of accreditation or the institution has been notified of the threatened loss of accreditation, and the due process procedures required by such suspension, revocation, termination, or threatened loss have not been completed.

"(e) SPECIAL RULE.—The standards and rules described in this section and section 496 only shall apply to an accrediting agency or association approved by the Secretary for the purpose of establishing institutional eligibility under this title. The Secretary may establish such standards as the Secretary deems appropriate for the recognition of an accrediting agency or association for other purposes.

#### "SEC. 498. ELIGIBILITY AND CERTIFICATION PROCEDURES.

"(a) GENERAL AUTHORITY.—In determining the legal authority to operate within a State, the accreditation status, and the administrative capability and financial responsibility of an institution of higher education, the Secretary shall—

"(1) prepare and prescribe a single application form which—

"(A) requires sufficient information and documentation to ensure the requirements of eligibility, accreditation, and capability of the institution of higher education are met;

"(B) requires a specific description of the relationship of a main campus of an institution of higher education and all of its branches including a description of the student aid processing that is performed by the main campus and that which is performed at its branches;

"(C) requires a description of third party financial aid service providers of an institution of higher education, together with a copy of any contract with the institution of higher education and a financial aid service provider or loan servicer; and

"(D) requires such other information as the Secretary determines will assure that the requirements of this title with respect to eligibility, accreditation, administrative capability and financial responsibility will be met;

"(2) assure prompt actions by the Department on the application required by this section and,

a prompt on-site review of the institution of higher education by the Department prior to certification of initial eligibility;

"(3) provide for one year of provisional eligibility and certification of an institution of higher education for newly eligible institutions or institutions that undergo a change in ownership;

"(4) provide for periodic renewal of eligibility and certification determination of institutions of higher education not less than every 5 years after the regulations implementing this section become effective including a review of the administrative capability and financial responsibility of the institution;

"(5) establish requirements for the maintenance by an institution of higher education of sufficient cash reserves to assure repayment of any required refunds; and

"(6) establish such other reasonable procedures as the Secretary determines will contribute to assuring that the institution of higher education will comply with administrative capability and financial responsibility standards required by this title.

"(b) **SPECIAL RULE.**—Notwithstanding the provisions of section 103(b) of the Department of Education Organization Act, the Secretary shall have the responsibility to examine and guard against hourly inflation and to ensure that all 600-hour courses are appropriate in length to the instructions involved.

"(c) **CONTINUING ELIGIBILITY PROVISIONS.**—Whenever the Secretary withdraws the approval of any accrediting agency of an institution of higher education which meets the requirements of accreditation, eligibility and certification on the day prior to such withdrawal the Secretary shall, notwithstanding the withdrawal, continue the eligibility of the institution of higher education to participate in the programs authorized by this title for a period not to exceed 18 months from the date of the withdrawal of approval.

#### "SEC. 499. PROGRAM REVIEW AND DATA.

"(a) **GENERAL AUTHORITY.**—In order to strengthen the administrative capability and financial responsibility provisions of this title, the Secretary—

"(1) shall provide for the conduct of program reviews on a systematic basis designed to include all institutions of higher education participating in programs authorized by this title;

"(2) is authorized to give priority for program review to institutions of higher education which are—

"(A) institutions with an annual default rate for loans under part B of this title in excess of 25 percent or which places such institutions in the highest 25 percent of such institutions;

"(B) institutions with a default rate in dollar volume for loans under part B of this title which places the institutions in the highest 25 percent of such institutions;

"(C) institutions with a significant fluctuation in Stafford Loan volume or Pell grant awards, or both, in the year for which the determination is made compared to the year prior to such year;

"(D) institutions reported to have deficiencies or financial aid problems as reported by the appropriate State agency designated under section 495(c) or by the appropriate accrediting agency or association; and

"(E) institutions with high annual default rates; and

"(3) shall establish and operate a central data base of information on institutional accreditation, eligibility, and certification including—

"(A) all information available to the Department;

"(B) all relevant information made available by the Secretary of Veterans Affairs;

"(C) all relevant information from accrediting agencies or associations; and

"(D) all relevant information available from the State agency designated under section 492(c).

#### "(b) SPECIAL ADMINISTRATIVE RULES.—

"(1) In carrying out paragraphs (1) and (2) of subsection (a), the Secretary shall establish guidelines designed to assure uniformity of practice in the conduct of program reviews of institutions of higher education.

"(2) The Secretary shall review the regulations of the Department and the application of such regulations to ensure the uniformity of interpretation and application of the regulations.

"(c) **DATA COLLECTION RULES.**—The Secretary shall develop and carry out a plan for the data collection responsibilities described in paragraph (3) of subsection (a). The Secretary shall make the information obtained under such paragraph (3) readily available to all institutions of higher education, guaranty agencies, State agencies designated under section 495(c), and other organizations participating in the programs authorized by this title.

#### "(d) DEFINITIONS.—As used in this section—

"(1) the term 'annual default rate' has the same meaning given that term by section 435(m);

"(2) the term 'withdrawal of accreditation' means denying accreditation to an institution, during the process of review and self-study of the institution, previously accredited by an accrediting agency or association recognized by the Secretary;

"(3) the term 'denial of accreditation' means the refusal of an accrediting agency or association recognized by the Secretary to extend its accreditation to an applicant institution; and

"(4) the term 'termination of accreditation' means terminating the accreditation of an institution, following a show-cause hearing, for one or more violations of the accrediting agency's rules and regulations.

#### "SEC. 499A. INSTITUTIONAL PERFORMANCE STANDARDS.

##### "(a) STANDARDS REQUIRED.—

"(1) **IN GENERAL.**—In order to strengthen the administrative capability and financial responsibility provisions of this title, the Secretary shall, after consultation with institutions of higher education, guaranty agencies, educational associations representing postsecondary education, and other appropriate public agencies and nonprofit private organizations, develop and carry out objective performance standards for the administration of programs authorized by this title.

"(2) **SPECIAL RULE.**—In carrying out this subsection, the Secretary may use the standards relating to administrative capability and financial responsibility in effect on October 1, 1991 as a basis for the institutional performance standards required by this subsection.

"(b) **REVIEW AND CONSULTATION REQUIRED.**—The Secretary shall conduct a thorough review of the administrative capability and financial responsibility standards in carrying out subsection (a). The Secretary shall, in developing the standards under subsection (a), consult with the Committee on Institutional Quality and Integrity established by section 1205 of this Act.

"(c) **MINIMUM REQUIREMENTS OF STANDARDS.**—The institutional performance standards required by subsection (a) shall, at a minimum, be designed to address—

"(1) the financial responsibility of the institution of higher education based upon the annual audits required by section 487(c); and

"(2) the success of the program at the institution of higher education including—

"(A) rates of program completion and of graduation, taking into account—

"(i) the length of the program at the institution;

"(ii) the selectivity of the admissions policy at the institution; and

"(iii) the variety of completion goals, including transfer to another institution of higher education, full-time employment, and military service;

"(B) rates of withdrawal at the institution;

"(C) rates of graduate student employment, after graduation, in the chosen field of study, and acceptance of graduates, where appropriate, into graduate or professional study;

"(D) rates of licensure of graduates, where appropriate;

"(E) rates of student loan default;

"(F) an evaluation of the adequacy of student services; and

"(G) the adequacy of personnel charged with informing prospective students of licensure requirements, if appropriate, and of projections for employment opportunities in the field for which the proposed training is designed.

#### "SEC. 499B. DEFINITIONS AND TRAINING.

"(a) **DEFINITIONS.**—As used in this subpart the term 'institution of higher education' has the same meaning given to such term by section 481(a).

"(b) **TRAINING.**—The Secretary shall provide training to personnel of the Department, including criminal investigative training, designed to improve the quality of financial and compliance audits and program reviews conducted under this title."

#### (b) TECHNICAL AMENDMENTS.—

(1) **PART B DEFINITION.**—Subsection (n) of section 435 of the Act (20 U.S.C. 1085(n)) is repealed.

(2) **PART G DEFINITION.**—Subsection (e) of section 481 of the Act (20 U.S.C. 1088(e)) is repealed.

#### TITLE V—EDUCATOR RECRUITMENT, RETENTION, AND DEVELOPMENT

##### SEC. 501. EDUCATOR RECRUITMENT, RETENTION, AND DEVELOPMENT.

(a) **IN GENERAL.**—Title V of the Act (20 U.S.C. 1101 et seq.) is amended to read as follows:

#### "TITLE V—EDUCATOR RECRUITMENT, RETENTION, AND DEVELOPMENT

##### "SEC. 501. STATEMENT OF PURPOSE.

"It is the purpose of this title to—

"(1) address the Nation's teacher shortage, particularly in areas where there are heavy concentrations of low-income students, by encouraging talented persons to enter the teaching profession, including the individuals already employed as school paraprofessionals and individuals who have been employed in other areas of endeavor;

"(2) provide assistance for professional development activities enabling teachers, school administrators, and institutions of higher education to work collaboratively to improve educational performance through school reform and restructuring;

"(3) encourage academically qualified students to become teachers through scholarship assistance;

"(4) support the recruitment of underrepresented populations into teaching careers;

"(5) encourage the establishment and maintenance of programs that provide professional teacher preparation to individuals who are moving to careers in education from other occupations;

"(6) promote partnerships between institutions of higher education and local educational agencies for the purpose of promoting the simultaneous restructuring and renewal of elementary and secondary schools and college-based teacher education programs;

"(7) provide assistance to our Nation's teaching force for the continued improvement of their professional skills; and

"(8) improve the leadership and administrative skills of elementary and secondary school administrators.



# **"PART A—TEACHER TRAINING FOR NONTRADITIONAL STUDENTS**

## **"Subpart 1—New Careers for Teachers**

### **"SEC. 511. STATEMENT OF PURPOSE.**

"It is the purpose of this subpart to establish and operate new career programs to attract minority candidates, who are in school support or paraprofessional positions or in occupations other than teaching, to careers teaching in elementary and secondary schools.

### **"SEC. 512. PROGRAM AUTHORIZED.**

#### **"(a) IN GENERAL.—**

"(1) **IN GENERAL.**—The Secretary is authorized to pay the Federal share of making grants to eligible recipients to enable such eligible recipients to pay the costs of establishing and operating programs to attract minority candidates to teaching careers.

"(2) **PERCENTAGE.**—The Federal share shall be 50 percent.

"(3) **NON-FEDERAL SHARE.**—The non-Federal share of each grant awarded under this subpart may be in cash or in kind fairly evaluated, including planned equipment or services.

"(b) **DURATION OF GRANT.**—Each grant awarded under this subpart shall be for a period of 2 years and may be renewed for periods not to exceed 3 years.

"(c) **COMPETITIVE BASIS.**—The Secretary shall award grants under this subpart on a competitive basis.

"(d) **SPECIAL CONSIDERATION.**—In awarding grants under this subpart, the Secretary shall give special consideration to programs designed to identify, recruit, and certify—

"(1) speakers of non-English languages who have been trained as teachers in their home country; or

"(2) individuals already employed in a local educational agency.

### **"SEC. 513. ELIGIBLE RECIPIENT.**

"As used in this subpart the term 'eligible recipient' means a consortium of—

"(1) institutions of higher education, and

"(2) local educational agencies,

working in conjunction with the State educational agency, and the appropriate State or local teacher credentialing body.

### **"SEC. 514. APPLICATION.**

"(a) **IN GENERAL.**—A grant under this subpart may be made only to an eligible recipient which submits an application to the Secretary containing or accompanied by such information as the Secretary may reasonably require.

"(b) **CONTENTS OF APPLICATION.**—Each such application shall—

"(1) describe the activities and services for which assistance is sought;

"(2) set forth the number of expected participants in each program assisted under this subpart;

"(3) demonstrate steps on a career ladder leading to the position of fully credentialed teacher, ranging from nonskilled entry positions, extending through intermediate subprofessional functions, and terminating in full professional status as a certified teacher duly recognized by the appropriate State agency;

"(4) contain assurances that advancement within such career ladders would be based on merit, but that the opportunity for attainment of higher station is available to all;

"(5) demonstrate a plan for employing permanently individuals who have participated in the program at their new level of training, including individuals who terminate the program at a level below that of fully credentialed teacher;

"(6) demonstrate a plan for bringing a sizable portion of the educational program and coursework to the place of the participant's employment;

"(7) demonstrate a plan for providing academic credit for in-service training and other

relevant experience as well as formal academic coursework;

"(8) provide for participation of individuals who have attained various levels of education including individuals who have not completed high school, with special consideration for such participation given to individuals already serving within the school system;

"(9) provide assurances that the program assisted under this subpart will be available to the disabled; and

"(10) contain such other assurances as the Secretary may reasonably require.

### **"SEC. 515. USE OF FUNDS.**

"(a) **IN GENERAL.**—Funds provided pursuant to this subpart may be used to—

"(1) pay tuition for participants in programs established under this subpart;

"(2) pay for the release time of participants in programs assisted under this subpart; and

"(3) provide stipends for child care to participants whose academic coursework takes place outside the normal workday.

"(b) **ADMINISTRATIVE COSTS.**—Not more than 10 percent of any grant provided pursuant to this subpart may be used for administrative expenses.

### **"SEC. 515A. AUTHORIZATION OF APPROPRIATIONS.**

"There are authorized to be appropriated \$5,000,000 for fiscal year 1993 and such sums as may be necessary for each of the 6 succeeding fiscal years to carry out this subpart.

## **"Subpart 2—Minority Teacher Recruitment**

### **"SEC. 516. PROGRAM AUTHORIZED.**

"(a) **IN GENERAL.**—The Secretary is authorized to pay the Federal share of making grants in accordance with the provisions of this subpart to carry out programs and activities designed to—

"(1) improve recruitment and training opportunities in education for minority individuals, including language minority individuals; and

"(2) increase the number of minority teachers, including language minority teachers, in elementary and secondary schools.

"(b) **FEDERAL SHARE.**—The Federal share shall be 50 percent.

"(c) **NON-FEDERAL SHARE.**—The non-Federal share of each grant awarded under this subpart may be in cash or in kind fairly evaluated, including planned equipment or services.

### **"SEC. 517. USE OF FUNDS.**

"Funds provided pursuant to this subpart may be used—

"(1) by—

"(A) 1 or more local educational agencies,

"(B) a State educational agency or a State higher education agency,

"(C) 1 or more institutions of higher education, or

"(D) community-based organizations,

to identify students from minority backgrounds, including language minority backgrounds, in middle and secondary schools interested in teaching, and to provide such students with activities and services which support and encourage the pursuit of teaching as a career;

"(2) by 2- and 4-year institutions of higher education with large concentrations of minority students, including language minority students, to—

"(A) identify students who indicate an interest in entering the teaching profession, and provide such individuals with support programs such as—

"(i) scholarship funds to meet expenses;

"(ii) remedial and tutoring programs;

"(iii) counseling and support services;

"(iv) teaching related activities;

"(v) academic advice and guidance in course selection to prepare for teacher certification;

"(vi) test taking skills; and

"(vii) information and advice regarding eligibility for membership in the Teacher Corps, and other financial assistance programs;

"(B) establish or strengthen teacher training programs;

"(C) establish or enhance early identification/articulation partnership programs with high schools and community colleges; and

"(D) establish partnerships with graduate schools of education to foster and facilitate the movement of minority students into post-graduate studies; and

"(3) by 2- and 4-year institutions of higher education or consortia thereof, State educational agencies, or State higher education agencies, to—

"(A) establish programs and activities which foster and facilitate the movement of students interested in pursuing teaching careers from 2-year institutions to 4-year institutions, focusing particular attention on facilitating the transfer of academic credit; and

"(B) improve existing assessment practices that determine an individual's qualifications to become a teacher.

### **"SEC. 518. APPLICATION.**

"(a) **APPLICATION REQUIRED.**—Each institution of higher education, State educational agency, State higher education agency, local educational agency, community based organization, or consortium thereof, desiring a grant pursuant to this subpart, shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may reasonably require. Each such application shall—

"(1) describe the activities and services for which assistance is sought;

"(2) set forth the individuals to be served; and

"(3) contain such assurances as the Secretary may reasonably require.

"(b) **STATE EDUCATIONAL AGENCY REVIEW.**—Each application from a local educational agency for a grant under this subpart shall be forwarded to the appropriate State educational agency for review and comment if the State educational agency requests the opportunity for such review. The State educational agency must complete the review of such application and comment to the Secretary within 30 calendar days of receipt. Failure of the State educational agency to submit comments to the Secretary shall not prejudice such application.

### **"SEC. 519. ADMINISTRATIVE COSTS.**

"Not more than 10 percent of any grant provided pursuant to this subpart may be used for administrative expenses.

### **"SEC. 520. AUTHORIZATION OF APPROPRIATIONS.**

"There are authorized to be appropriated \$5,000,000 for fiscal year 1993 and such sums as may be necessary for each of the 6 succeeding fiscal years to carry out this subpart.

## **"PART B—SCHOOL, COLLEGE, AND UNIVERSITY PARTNERSHIPS**

### **"SEC. 521. PURPOSE.**

"It is the purpose of this part to encourage partnerships between institutions of higher education and secondary schools serving low-income and disadvantaged urban and rural students, to support programs that—

"(1) improve the retention and graduation rates at such secondary schools;

"(2) improve the academic skills of public and private nonprofit secondary school students;

"(3) increase such students' opportunities to continue a program of education after secondary school; and

"(4) improve such students' prospects for employment after secondary school.

### **"SEC. 522. PARTNERSHIP AGREEMENT.**

"(a) **PARTNERSHIP AGREEMENT.**—To be eligible for a grant under this part, an institution of higher education or a State higher education

agency and a secondary school or a local educational agency shall enter into a written partnership agreement. A partnership may include businesses, labor organizations, professional associations, community-based organizations, public television stations or other educational telecommunications entities, or other private or public agencies or associations. All partners shall sign the agreement.

"(b) CONTENTS OF AGREEMENT.—The agreement shall include—

"(1) a listing of all participants in the partnerships, including a designation of the official representatives of each entity participating in the partnership;

"(2) a description of the responsibilities of each participant in the partnership; and

"(3) a listing of the resources to be contributed by each participant in the partnership.

#### "SEC. 523. GRANTS.

"(a) DIVISION BETWEEN SCHOOL-YEAR AND SUMMER PROGRAMS.—From the funds appropriated to carry out this part pursuant to section 525, the Secretary shall reserve 65 percent of such funds to carry out programs operating during the regular school year and 35 percent of such funds to carry out programs operating during the summer.

"(b) AMOUNT AND USE OF GRANTS.—

"(1) AMOUNT.—The Secretary shall make grants under this part in amounts which are not less than \$250,000 and not more than \$1,000,000.

"(2) USE OF GRANT.—Grants under this part may be used by the partnership for programs that—

"(A) use college students to tutor secondary school students and improve their basic academic skills;

"(B) are designed to improve the basic academic skills of secondary school students;

"(C) are designed to increase the understanding of specific subjects of secondary school students;

"(D) are designed to improve the opportunity to continue a program of education after graduation for secondary school students; and

"(E) are designed to increase the prospects for employment after graduation of secondary school students.

"(c) PREFERENCES.—In making grants under this part, the Secretary shall give a preference to—

"(1) programs which will serve predominantly low-income communities;

"(2) partnerships which will run programs during the regular school year and summer; and

"(3) programs which will serve educationally disadvantaged students; potential dropouts; pregnant, adolescent, and teenage parents; children of migratory agricultural workers or of migratory fishermen; or students whose native language is other than English.

"(d) DURATION.—Each grant awarded under this part may be awarded for a period not to exceed 3 years.

"(e) EQUITABLE GEOGRAPHIC DISTRIBUTION.—The Secretary shall award grants under this part in a manner that achieves equitable geographic distribution of such grants.

#### "SEC. 524. APPLICATION FOR GRANTS.

"(a) APPLICATION REQUIRED.—A partnership desiring to receive a grant under this part shall submit an application to the Secretary.

"(b) CONTENTS OF APPLICATION.—The application shall include—

"(1) the written and signed partnership agreement;

"(2) a listing of the public and private non-profit secondary school or schools to be involved in the program;

"(3) a description of the activities and services for which assistance is sought;

"(4) a description of the programs to be developed and operated by the partnership; and

"(5) assurances to the Secretary that—

"(A) the partnership will establish a governing body including one representative of each participant in the partnership;

"(B) Federal funds will provide no more than 70 percent of the cost of the project in the first year, 60 percent of such costs in the second year, and 50 percent of such costs in the third year and any subsequent year;

"(C) a local educational agency receiving funds under this subpart shall not reduce its combined fiscal effort per student or its aggregate expenditure on education; and

"(D) a local educational agency receiving funds under this part shall use the Federal funds so as to supplement and, to the extent practical, increase the resources that would, in the absence of such Federal funds, be made available from non-Federal sources for the education of students participating in the project, and in no case may funds be used to supplant such non-Federal funds; and

"(5) provide such information and meet such conditions as may be required by the Secretary.

"(c) SPECIAL RULE.—The non-Federal share of grants awarded under this part may be in cash or in kind fairly evaluated, including services, supplies or equipment.

"(d) WAIVER.—The Secretary may waive the matching requirement described in paragraph (5)(B) for any eligible partnership that demonstrates to the satisfaction of the Secretary a unique hardship that prevents compliance with such matching requirement.

#### "SEC. 525. PEER REVIEW.

"The Secretary shall designate a peer review panel to review applications submitted under this part and make recommendations for funding to the Secretary. In selecting the peer review panel, the Secretary shall consult with officials of the other Federal agencies and with non-Federal organizations to ensure that the panel membership shall be geographically balanced and be composed of representatives from public and private institutions of elementary, secondary, and higher education, labor, business, and State and local governments, who have expertise in community service or in education.

#### "SEC. 526. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated \$15,000,000 for fiscal year 1993 and such sums as may be necessary for each of the 6 succeeding fiscal years to carry out this part.

#### "PART C—NATIONAL BOARD FOR PROFESSIONAL TEACHING STANDARDS

##### "SEC. 531. SHORT TITLE.

"This part may be cited as the 'National Board for Professional Teaching Standards Act of 1991'.

##### "SEC. 532. FINDINGS AND PURPOSES.

"(a) FINDINGS.—The Congress finds that—

"(1) the economic well-being and national security of the United States depends on efforts to strengthen the educational system to provide all children with an education which will ensure a well-educated work force;

"(2) improved teaching is central to the goal of ensuring a well-educated work force;

"(3) incentives to enhance the professionalism and status of teaching can be provided through the development and promulgation of voluntary standards of professional certification that are rigorous and unbiased, that complement and support State licensing practices and recognize the diversity of American society;

"(4) the National Board for Professional Teaching Standards, a private nonprofit organization, has been created to establish such voluntary standards, and a significant initial investment in research and development from non-Federal sources will be required to create such a system of professional certification; and

"(5) the Federal Government has played an active role in funding vital educational research

and can continue to support this national effort by providing limited but essential support for critical research activities.

"(b) PURPOSE.—It is the purpose of this part to provide financial assistance to the National Board for Professional Teaching Standards to enable the Board to conduct independent research and development related to the establishment of national, voluntary professional standards and assessment methods for the teaching profession.

##### "SEC. 533. DEFINITIONS.

"(a) IN GENERAL.—For the purpose of this part—

"(1) the term 'Board' means the National Board for Professional Teaching Standards;

"(2) the term 'Committee' means the Fund for Improvement and Reform of Schools and Teaching Board established in section 3231 of the Fund for the Improvement and Reform of Schools and Teaching Act; and

"(3) the term 'Director' means the Director of the National Science Foundation.

"(b) SPECIAL RULE.—Nothing in this part shall be construed to infringe upon the practice or accreditation of home school or private school teaching.

##### "SEC. 534. PROGRAM AUTHORIZATION.

"(a) PROGRAM AUTHORIZED.—From sums appropriated pursuant to the authority of subsection (b) in any fiscal year, the Secretary is authorized and directed to provide financial assistance to the National Board for Professional Teaching Standards, in order to pay the Federal share of the costs of the activities described in section 546.

"(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated \$20,000,000 for the period beginning October 1, 1991, and ending September 30, 1995, to carry out the provisions of this part.

"(c) TERMS AND CONDITIONS.—(1) No financial assistance may be made available under this part except upon an application as required by section 537.

"(2) No financial assistance may be made available under this part unless the Secretary determines that—

"(A) the Board will comply with the provisions of this part;

"(B) the Board will use the Federal funds only for research and development activities in accordance with section 536, and such teacher assessment and certification procedures will be free from racial, cultural, gender or regional bias;

"(C) the Board—

"(i) will widely disseminate for review and comment announcements of specific research projects to be conducted with Federal funds, including a description of the goals and focus of the specific project involved and the specific merit review procedures and evaluation criteria to be used in the competitive award process; and

"(ii) will send such announcements to the Secretary, the Director, the National Research Council, and the educational research community;

"(D) will make arrangements with the Secretary to have the announcement described in subparagraph (C) published in the Federal Register (or such other publication deemed appropriate by the Secretary) and in publications of general circulation designed to disseminate such announcements widely to the educational research community;

"(E) the Board will, after offering any interested party an opportunity to make comment upon, and take exception to, the projects contained in the announcements described in subparagraph (C) for a 30-day period following publication, and after reconsidering any project on which comment is made or to which exception is taken, through the Secretary issue a re-



quest for proposals in the Federal Register (or such other publication deemed appropriate by the Secretary) containing any revised project information;

"(F) the Board will make awards of Federal funds competitively on the basis of merit, and, in the award process, the Board will select for such awards, to the extent practicable consistent with standards of excellence—

"(i) a broad range of institutions associated with educational research and development; and

"(ii) individuals who are broadly representative of the educational research and teaching communities with expertise in the specific area of research and development in question;

"(G) the Board will adopt audit practices customarily applied to nonprofit private organizations and will comply with the provisions of section 539(c);

"(H) the Board will not use Federal funds to meet the administrative and operating expenses of the Board;

"(I) the Board will submit an annual report to Congress in accordance with the provisions of section 539(a); and

"(J) the Board will, upon request, disseminate to States, local educational agencies, or other public educational entities the results of any research or research project produced with funds authorized by this part, upon the payment of the cost of reproducing the appropriate material.

"(d) AVAILABILITY OF FUNDS.—

"(1) IN GENERAL.—Notwithstanding any other provision of law, funds appropriated to carry out the provisions of this part shall remain available for obligation and expenditure until the end of the second fiscal year succeeding the fiscal year for which the funds were appropriated.

"(2) LIMITATION.—No Federal funds shall be made available to the Board after September 30, 1995, except as authorized by paragraph (1) of this subsection.

#### "SEC. 535. CONSULTATION.

"The Board shall consult at least twice annually with the Committee on the design and execution of the overall research and development strategy of the Board, including procedures to assure compliance with the requirements of this part. The procedures shall include—

"(1) an outline of a specific research and development agenda and activities to be conducted with the Federal funds; and

"(2) provisions to ensure compliance with the open competition and merit review requirements of this part for proposals and projects assisted under this part.

#### "SEC. 536. AUTHORIZED ACTIVITIES.

"(a) IN GENERAL.—Federal funds received under this part may be used only for research and development activities directly related to the development of teacher assessment and certification procedures for elementary and secondary school teachers.

"(b) PRIORITIES.—

"(1) IN GENERAL.—The Board shall give priority to research and development activities in—

"(A) mathematics;

"(B) the sciences;

"(C) foreign languages; and

"(D) literacy, including the ability to read, write and analyze.

"(2) SPECIAL RULE.—The Board shall give priority to research and development activities for the certification of elementary and secondary school teachers and the need and ability of such teachers to teach special educational populations, including—

"(A) limited English proficient children;

"(B) gifted and talented children;

"(C) children with disabilities; and

"(D) economically and educationally disadvantaged children.

#### "SEC. 537. APPLICATION.

"(a) IN GENERAL.—The Board shall submit an application to the Secretary at such time, in such manner, and containing or accompanied by such information as the Secretary may reasonably require. Each such application shall—

"(1) describe the activities for which assistance is sought; and

"(2) provide assurances that the non-Federal share of the cost of activities of the Board shall be paid from non-Federal sources, together with a description of the manner in which the Board will comply with the requirements of this paragraph.

"(b) APPROVAL.—The Secretary shall approve an application submitted pursuant to subsection (a) unless such application fails to comply with the provisions of this part.

#### "SEC. 538. PAYMENTS; FEDERAL SHARE.

"(a) IN GENERAL.—The Secretary shall pay to the Board the Federal share of the costs of the activities described in the application approved pursuant to section 537 for the period for which the application is approved under such section.

"(b) AMOUNT OF FEDERAL SHARE.—The Federal share shall be 50 percent.

#### "SEC. 539. REPORTS AND AUDITING PROVISION.

"(a) NATIONAL BOARD FOR PROFESSIONAL TEACHING STANDARDS REPORT.—

"(1) IN GENERAL.—The Board shall submit an annual report to the appropriate committees of the Congress not later than June 30 of any fiscal year in which Federal funds are expended pursuant to this part. The Board shall disseminate the report for review and comment to the Secretary, the Director, the National Research Council, and the education research community. The report shall—

"(A) include a detailed financial statement and a report of the audit practices described in section 534(c)(2)(G);

"(B) include a description of the general procedure to assure compliance with the requirements of section 536; and

"(C) provide a comprehensive and detailed description of the Board's agenda, activities, and planned activities for the preceding and succeeding fiscal years, including—

"(i) the Board's overall research and development program and activities;

"(ii) the specific research and development projects and activities conducted with Federal funds during the preceding fiscal year, including—

"(I) a description of the goals and methodology of the project;

"(II) a description and assessment of the findings (or status and preliminary findings if the project is not yet complete);

"(III) a description of the competitive bidding process, the merit review procedures, and the evaluation criteria used to award project funds; and

"(IV) a description of the Board's plans for dissemination of the findings described in subclause (II);

"(iii) the specific research and development projects and activities planned to be conducted with Federal funds during the succeeding fiscal year, including the goals and methodologies to be used; and

"(iv) a listing of available publications of the Board, including publications related to policies, standards and general information, research reports, and commissioned papers of the Board.

"(2) FIRST REPORT.—The first annual report required by this subsection shall include a description of the Board's research and development agenda for the succeeding 5-year period. Such first report shall include, to the maximum extent practicable, a description of specific research and development projects and activities, and the goals and methodologies of such projects and activities.

"(b) ADDITIONAL REPORTS.—The Secretary, the Director, and the National Research Council shall report to the appropriate committees of the Congress on the compliance of the Board with the requirements of this part not later than 30 days after the Board submits each annual report described in subsection (a).

"(c) AUDITING PROVISION.—The Comptroller General of the United States, and any of his authorized representatives, shall have access, for the purpose of audit and examination, to any books, documents, papers, and records of the Board, and to any recipient of funds from the Board, that are pertinent to the sums received and disbursed under this part.

#### "SEC. 540. CONSTRUCTION.

"Nothing in this part shall be construed to—

"(1) establish a preferred national curriculum or preferred teaching methodology for elementary and secondary school instruction;

"(2) infringe upon the rights and responsibilities of the States to license elementary and secondary school teachers;

"(3) provide an individual certified by the Board with a right of action against a State, local educational agency, or other public educational entity for any decisions related to hiring, promotion, retention or dismissal; or

"(4) authorize the Secretary to exercise supervision or control over the research program, standards, assessment practices, administration, or staffing policies of the Board.

#### "PART D—TEACHER SCHOLARSHIPS AND FELLOWSHIPS

"Subpart I—Paul Douglas Teacher Scholarships

##### "SEC. 541. PURPOSE; DESIGNATION.

"(a) PURPOSE.—It is the purpose of this subpart to make available, through grants to the States, scholarships to individuals who are outstanding high school graduates and who demonstrate an interest in teaching, in order to enable and encourage those individuals to pursue teaching careers in education at the preschool, elementary or secondary level.

"(b) DESIGNATION.—Scholarships awarded under this subpart shall be referred to as the 'Paul Douglas Teacher Scholarships'.

##### "SEC. 542. ALLOCATION AMONG STATES.

"(a) PER CAPITA ALLOCATION.—From the sums appropriated for this subpart pursuant to section 550A for any fiscal year, the Secretary shall allocate to any State an amount which bears as nearly as possible the same ratio to such sums as the number of persons in that State bears to the number of persons in all States.

"(b) USE OF CENSUS DATA.—For the purpose of this section, the number of persons in a State and in all States shall be determined by the most recently available data from the United States Census Bureau.

##### "SEC. 543. GRANT APPLICATIONS.

"(a) SUBMISSION OF APPLICATIONS.—The Secretary is authorized to make grants to States in accordance with the provisions of this subpart. In order to receive a grant under this subpart, a State shall submit an application at such time or times, in such manner, and containing such information as the Secretary may prescribe by regulation. Such application shall set forth a program of activities for carrying out the purposes set forth in section 541 in such detail as will enable the Secretary to determine the degree to which such program will accomplish such purposes and such other policies, procedures, and assurances as the Secretary may require by regulation.

"(b) CONTENT OF APPLICATIONS.—The Secretary shall approve an application under this subpart only if the application—

"(1) describes the selection criteria and procedures to be used by the State in the selection of scholarships under this subpart which satisfy the provisions of this subpart;

"(2) designates as the State agency responsible for administering the grants received under this part the State agency which administers the program under subpart 3 of part A of title IV (relating to State student incentive grants), the State agency with which the Secretary has an agreement under section 428(b), or another appropriate State agency approved by the Secretary;

"(3) describes the outreach effort the State agency intends to use to publicize the availability of Paul Douglas Scholarships to high school students in the State;

"(4) provides assurances that each recipient eligible under section 545(b) of this subpart who receives a Paul Douglas Scholarship shall enter into an agreement with the State agency under which the recipient shall—

"(A) within the 10-year period after completing the postsecondary education for which the Paul Douglas Scholarship was awarded, teach, for a period of not less than 2 years for each year for which assistance was received, in a public or private nonprofit preschool, elementary school, or secondary school in any State, or in a public or private nonprofit education program in any State, except that, in the case of individuals who teach in a shortage area established by the Secretary pursuant to section 428(b)(4), the requirements of this subparagraph shall be reduced by one-half;

"(B) provide the State agency evidence of compliance with section 546 as required by the State agency; and

"(C) repay all or part of a Paul Douglas Scholarship received under section 544 plus interest and, if applicable, reasonable collection fees, in compliance with regulations issued by the Secretary under section 547, in the event that the conditions of subparagraph (A) are not complied with, except as provided for in section 548;

"(5) provides that the agreement entered into with recipients shall fully disclose the terms and conditions under which assistance under this subpart is provided and under which repayment may be required, including—

"(A) a description of the procedures required to be established under paragraph (6); and

"(B) a description of the appeals procedures required to be established under paragraph (7) under which a recipient may appeal a determination of noncompliance with any provision under this subpart;

"(6) provides for procedures under which a recipient of assistance received under this subpart who teaches for less than the period required under paragraph (4)(A) will have the repayment requirements reduced or eliminated consistent with the provisions of sections 547 and 548;

"(7) provides for appeals procedures under which a recipient may appeal any determination of noncompliance with any provision under this subpart; and

"(8) provides assurances that the State agency shall make particular efforts to attract students from low-income backgrounds, ethnic and racial minority students, individuals with disabilities or other individuals historically underrepresented in teaching, or individuals who express a willingness or desire to teach in schools having less than average academic results or serving large numbers of economically disadvantaged students.

"(c) **SELECTION CRITERIA AND PROCEDURES.**—The selection criteria and procedures to be used by the State shall reflect the present and projected teacher needs of the State, including the demand for and supply of early childhood and elementary teachers in the State, the demand for and supply of secondary teachers in the State, and the demand for teachers with training in specific academic disciplines in the State.

"(d) **PRIORITY CONSIDERATION.**—The State shall give priority consideration in the selection

of individuals to receive a scholarship under this subpart to individuals from disadvantaged backgrounds, including racial and ethnic minorities and individuals with disabilities who are underrepresented in the teaching profession or in the curricula areas in which they are preparing to teach.

"(e) **SOLICITATION OF VIEWS ON SELECTION CRITERIA AND PROCEDURES.**—In developing the selection criteria and procedures to be used by the State, the State shall solicit the views of State and local educational agencies, private educational institutions, and other interested parties. Such views—

"(1) shall be solicited by means of—

"(A) written comments; and

"(B) publication of proposed selection criteria and procedures in final form for implementation; and

"(2) may be solicited by means of—

"(A) public hearings on the teaching needs of elementary and secondary schools in the State (including the number of new teachers needed, the expected supply of new teachers, and the shortages in the State of teachers with training in specific academic disciplines, including early childhood education and development); or

"(B) such other methods as the State may determine to be appropriate to gather information on such needs.

#### "SEC. 544. AMOUNT AND DURATION OF AND RELATION TO OTHER ASSISTANCE.

"(a) **LIMITATIONS ON AMOUNT AND DURATION.**—Subject to subsection (c), each Paul Douglas Scholar shall receive a \$5,000 scholarship for each academic year of postsecondary education for study in preparation to become a preschool, elementary or secondary teacher. No individual shall receive scholarship assistance for more than 4 years of postsecondary education, as determined by the State agency.

"(b) **CONSIDERATION OF AWARD IN OTHER PROGRAMS.**—Notwithstanding the provisions of title IV of this Act, scholarship funds awarded pursuant to this part shall be considered in determining eligibility for students assisted under title IV of this Act.

"(c) **ASSISTANCE NOT TO EXCEED NEED.**—Paul Douglas Scholarship assistance awarded by the statewide panel established pursuant to section 545 to any individual in any given year, when added to assistance received under title IV of this Act, shall not exceed the cost of attendance, as defined in section 472 of this Act, at the institution the individual is attending. If the amount of the Paul Douglas Scholarship assistance and assistance received under title IV of this Act, exceeds the cost of attendance, the Paul Douglas Scholarship shall be reduced by an amount equal to the amount by which the combined awards exceed the cost of attendance.

"(d) **ASSISTANCE NOT TO EXCEED COST OF ATTENDANCE.**—No individual shall receive an award under the Paul Douglas Scholarship established under this subpart, in any academic year, which exceeds the cost of attendance, as defined in section 472 of this Act, at the institution the individual is attending.

#### "SEC. 545. SELECTION OF PAUL DOUGLAS SCHOLARS.

"(a) **SELECTION BY STATEWIDE PANELS.**—Paul Douglas Scholars shall be selected by a seven-member statewide panel appointed by the chief State elected official, acting in consultation with the State educational agency, or by an existing grant agency or panel designated by the chief State elected official and approved by the Secretary of Education. The statewide panel shall be representative of school administrators, teachers, including preschool teachers, and parents.

"(b) **ELIGIBILITY FOR SELECTION; SELECTION CRITERIA AND PROCEDURES.**—Selections of Paul Douglas Scholars shall be made from students

who have graduated or who are graduating from high school and who rank in the top 10 percent of their graduating class. The State educational agency shall make applications available to public and private nonprofit high schools in the State and in other locations convenient to applicants, parents, and others. The statewide panel shall develop criteria and procedures for the selection of Paul Douglas Scholars. Such criteria may include the applicant's high school grade point average, involvement in extracurricular activities, financial need, and expression of interest in teaching as expressed in an essay written by the applicant. The panel may also require the applicant to furnish letters of recommendation from teachers and others.

"(c) **WAIVER.**—The Secretary may waive the requirements of section 543(d) for not more than 25 percent of all individuals receiving a scholarship under this subpart.

#### "SEC. 546. SCHOLARSHIP CONDITIONS.

"Recipients of scholarship assistance under this subpart shall continue to receive such scholarship payments only during such periods that the State agency finds that the recipient is—

"(1) enrolled as a full-time student in an accredited postsecondary institution;

"(2) pursuing a course of study leading to teacher certification; and

"(3) maintaining satisfactory progress as determined by the postsecondary institution the recipient is attending.

#### "SEC. 547. SCHOLARSHIP REPAYMENT PROVISIONS.

"Recipients found by the State agency to be in noncompliance with the agreement entered into under section 543(b)(4) of this subpart shall be required to repay a pro rata amount of the scholarship awards received, plus interest (but in no event at an interest rate higher than the rate applicable to loans in the applicable period under part B of title IV of this Act) and, where applicable, reasonable collection fees, on a schedule and at a rate of interest to be prescribed by the Secretary by regulations issued pursuant to this subpart.

#### "SEC. 548. EXCEPTIONS TO REPAYMENT PROVISIONS.

"(a) **DEFERRAL DURING CERTAIN PERIODS.**—A recipient shall not be considered in violation of the agreement entered into pursuant to section 543(b)(4)(C) during any period in which the recipient—

"(1) is pursuing a full-time course of study related to the field of teaching at an eligible institution;

"(2) is serving, not in excess of 3 years, as a member of the armed services of the United States;

"(3) is temporarily totally disabled for a period of time not to exceed 3 years as established by sworn affidavit of a qualified physician;

"(4) is unable to secure employment for a period not to exceed 12 months by reason of the care required by a spouse who is disabled;

"(5) is seeking and unable to find full-time employment for a single period not to exceed 12 months;

"(6) is seeking and unable to find full-time employment as a teacher in a public or private nonprofit preschool, elementary or secondary school, or education program for a single period not to exceed 27 months; or

"(7) satisfies the provisions of additional repayment exceptions that may be prescribed by the Secretary in regulations issued pursuant to this subpart.

"(b) **FORGIVENESS IF PERMANENTLY TOTALLY DISABLED.**—A recipient shall be excused from repayment of any scholarship assistance received under this subpart if the recipient becomes permanently totally disabled as established by sworn affidavit of a qualified physician.



**"SEC. 549. FEDERAL ADMINISTRATION OF STATE PROGRAMS; JUDICIAL REVIEW.**

"(a) **DISAPPROVAL HEARING REQUIRED.**—The Secretary shall not finally disapprove any application for a State program submitted under section 543, or any modification thereof, without first affording the State agency submitting the program reasonable notice and opportunity for a hearing.

"(b) **SUSPENSION OF ELIGIBILITY.**—Whenever the Secretary, after reasonable notice and opportunity for hearing to the State agency administering a State program approved under this subpart, finds—

"(1) that the State program has been so changed that it no longer complies with the provisions of this subpart, or

"(2) that in the administration of the program there is a failure to comply substantially with any such provisions, the Secretary shall notify such State agency that the State will not be regarded as eligible to participate in the program under this subpart until the Secretary is satisfied that there is no longer any such failure to comply.

"(c) **COURT REVIEW.**—

"(1) **IN GENERAL.**—If any State is dissatisfied with the Secretary's final action under subsection (b) (1) or (2), such State may appeal to the United States court of appeals for the circuit in which such State is located. The summons and notice of appeal may be served at any place in the United States. The Secretary shall forthwith certify and file in the court the transcript of the proceedings and the record on which the action was based.

"(2) **FINDINGS.**—The findings of fact by the Secretary, if supported by substantial evidence, shall be conclusive; but the court, for good cause shown, may remand the case to the Secretary to take further evidence, and the Secretary may thereupon make new or modified findings of fact and may modify any previous action, and shall certify to the court the transcript and record of further proceedings. Such new or modified findings of fact shall likewise be conclusive if supported by substantial evidence.

"(3) **JURISDICTION.**—The court shall have jurisdiction to affirm the action of the Secretary or to set it aside, in whole or in part. The judgment of the court shall be subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code.

**"SEC. 550. EVALUATION.**

"(a) **IN GENERAL.**—The Secretary shall conduct, by grant or contract, an independent evaluation of recipients of scholarship assistance under this subpart, which shall summarize and evaluate the State activities assisted under this subpart and the performance of such recipients. The evaluation shall assess the impact of the scholarship program assisted under this subpart to determine whether such program has brought into teaching a significant number of highly able individuals who otherwise would not have entered teaching.

"(b) **CONTENTS.**—The evaluation described in subsection (a) shall include—

"(1) a description of the characteristics, including the educational preparation and achievement, of recipients of scholarship assistance under this subpart compared to similar students participating in teacher training who do not receive such scholarships;

"(2) the rate at which such recipients successfully complete academic training and go on to teaching careers in preschool, elementary, or secondary education, compared to such rate for similar individuals who do not receive scholarship assistance under this subpart;

"(3) the extent to which it is possible to determine objectively that the receipt of scholarship

assistance under this subpart was the primary reason for an individual's choice of a teaching education and career;

"(4) the extent to which such recipients comply with the provisions of this subpart;

"(5) the length of time such recipients remain in teaching careers, compared to similar teachers who do not receive scholarships;

"(6) the barriers to the effectiveness of the program assisted under this subpart; and

"(7) the cost-effectiveness of such program in improving teacher quality and quantity.

"(c) **INTERIM EVALUATION REPORTS.**—The Secretary shall submit such interim evaluation reports to the President and the Congress as may be appropriate, and shall submit a final report on or before January 1, 1995.

"(d) **FUNDING.**—The Secretary shall reserve a total of not more than \$1,000,000 from the amounts appropriated pursuant to the authority of section 550A in fiscal years 1993 through 1999 to carry out this section.

**"SEC. 550A. AUTHORIZATION OF APPROPRIATIONS.**

"There are authorized to be appropriated \$27,000,000 for fiscal year 1993 and such sums as may be necessary for each of the 6 succeeding fiscal years to carry out this subpart.

"Subpart 2—Christa McAuliffe Career Teacher Corps

**"SEC. 551. DECLARATION OF PURPOSE; DESIGNATION.**

"(a) **PURPOSE.**—It is the purpose of this subpart to establish a national fellowship program for experienced teachers.

"(b) **DESIGNATION.**—

"(1) **FELLOWSHIP.**—A fellowship awarded under this subpart shall be known as a 'Christa McAuliffe Career Teacher Corps fellowship'.

"(2) **MEMBERSHIP.**—A recipient of a fellowship under this subpart shall be known as a 'Christa McAuliffe Career Teacher Corps member'.

**"SEC. 552. PROGRAM AUTHORIZED.**

"(a) **IN GENERAL.**—The Secretary is authorized to make grants, in accordance with the provisions of this subpart, to State educational agencies to enable such State educational agencies to—

"(1) conduct Christa McAuliffe Career Teacher Corps activities; and

"(2) to award fellowships to Christa McAuliffe Career Teacher Corps members in accordance with the provisions of this subpart.

"(b) **AMOUNT OF GRANTS.**—The amount awarded to each State educational agency pursuant to paragraph (1) of subsection (a) shall be an amount awarded on the basis of the school-age population in the State compared to the school-age population in all States, except that the Secretary may adjust the awards to ensure that such awards are of sufficient size to carry out the purposes of this subpart.

"(c) **STATE ACTIVITIES.**—Each State educational agency receiving a grant pursuant to subsection (a) shall use not more than 10 percent of such grant to carry out the State activities described in section 559.

**"SEC. 553. CHRISTA MCAULIFFE CAREER TEACHER CORPS FELLOWSHIPS.**

"(a) **AWARD DISTRIBUTION AND AMOUNT.**—

"(1) **AWARD DISTRIBUTION.**—Each State educational agency receiving a grant under this subpart shall use such funds to award Christa McAuliffe Career Teacher Corps fellowships to public and private school teachers who have been employed as teachers for 8 or more years to enable such teachers to engage in the activities described in subsection (b).

"(2) **AMOUNT.**—Fellowships shall be in an amount equal to the annual salary the individual would earn in such individual's current place of employment for the award period.

"(3) **RATABLE REDUCTION.**—If an individual receives a fellowship award for less than a

school year, such fellowship shall be ratably reduced to equal the salary foregone.

"(4) **DURATION.**—Each Christa McAuliffe Career Teacher Corps member may not receive an award for 2 consecutive years.

"(5) **REQUIREMENT.**—Subject to the repayment provisions of section 556(b), each Christa McAuliffe Career Teacher Corps member shall be required to return to a teaching position in their current place of employment for at least 2 years following the fellowship award, except that such member may work in another State with a Christa McAuliffe Career Teacher Corps Program upon approval of both the sending and receiving State.

"(b) **USE OF FELLOWSHIPS.**—Each Christa McAuliffe Career Teacher Corps fellowship may be used for—

"(1) sabbaticals for study, research or academic improvement to—

"(A)(i) improve such teacher's knowledge base in an area of expertise; or

"(ii) learn a new area of expertise; and

"(B) increase skills and professional ability;

"(2)(A) consultation with or assistance to other school districts or private school systems; or

"(B) development of special innovative programs for the purpose of improving—

"(i) in-service training for teachers and other school personnel; or

"(ii) student achievement; or

"(3) expanding or replicating model programs of staff development.

**"SEC. 554. SELECTION OF CHRISTA MCAULIFFE CAREER TEACHER CORPS MEMBERS.**

"(a) **IN GENERAL.**—Christa McAuliffe Career Teacher Corps members in each State shall be selected (in accordance with section 555) by a 7-member statewide panel appointed by the chief State school officer, or by an existing panel designated by the chief State school officer. The statewide panel shall be representative of school administrators, teachers, parents, and institutions of higher education.

"(b) **SPECIAL RULE.**—Each State educational agency may choose to administer the program assisted under this subpart through a pre-existing panel which is experienced in administering similar programs.

**"SEC. 555. EVALUATION OF APPLICATIONS.**

"(a) **SUBMISSION TO AND REVIEW BY STATEWIDE PANEL.**—An applicant for a Christa McAuliffe Career Teacher Corps fellowship shall submit a proposal for a project under section 553(b), and shall indicate the extent to which the applicant wishes to continue current teaching duties. The applicant shall submit such a proposal to the local educational agency for comment prior to submission to the statewide panel (appointed under section 554) for the State in which the teacher is employed. Each such application shall contain such information as such State educational agency may reasonably require.

"(b) **CONSULTATION AND CONSIDERATION.**—

"(1) **IN GENERAL.**—In evaluating proposals, the statewide panel shall consult with the local education agency, and shall consider—

"(A) evaluations during employment as a teacher;

"(B) demonstrated commitment to teaching in the future; and

"(C) intended activities during the award period;

"(2) **RECOMMENDATIONS.**—The statewide panel may request recommendations from teaching peers, the principal and the superintendent on the quality of the proposal, the benefit of such proposal to education, and any other criteria for awarding fellowships as is considered appropriate by such statewide panel.

"(3) **SELECTION.**—Selection of members of the statewide panel shall be made in accordance with regulations prescribed by the Secretary.

"(c) **SPECIAL CONSIDERATION.**—The statewide panel shall give special consideration, in the selection of Christa McAuliffe Career Teacher Corps members, to individuals who intend to use an award period to improve or acquire skills—

"(1) in the subject areas of science or mathematics; or

"(2) in order to teach or provide related services to students with disabilities, limited English proficient students or preschool age students.

"(d) **PUBLIC ANNOUNCEMENT.**—Announcement of fellowship awards shall be made in a public ceremony.

**"SEC. 556. FELLOWSHIP AGREEMENT AND REPAYMENT PROVISIONS.**

"(a) **AGREEMENT.**—Each individual who receives a Christa McAuliffe Career Teacher Corps fellowship shall enter into a written agreement with the State educational agency. Each such agreement shall provide assurances that the Christa McAuliffe Career Teacher Corps member—

"(1) will spend up to a one-year award period during which the Christa McAuliffe Career Teacher Corps member is released from teaching responsibilities to participate in programs and activities allowed under section 553(b), approved pursuant to section 555 by the statewide panel; "(2) shall be encouraged, subject to the approval of the local educational agency, during the 2 years following the award period through the professional development school, if one exists, to—

"(A)(i) participate in an induction program for new teachers by acting as a mentor to new Teacher Corps members under part E or other new teachers with the same substantive field of expertise as the Christa McAuliffe Career Teacher Corps member where practicable; or "(ii) make some other contribution to the Teacher Corps programs conducted pursuant to part E; and

"(B) assist in the development of in-service training programs through the professional development school, if such school exists; and "(3) shall be given the opportunity to participate in activities developed by the Secretary and the State educational agency through which the individual was selected as a Christa McAuliffe Career Teacher Corps member which are intended to foster communication among, and bring together, members of the Christa McAuliffe Career Teacher Corps.

"(b) **FELLOWSHIP REPAYMENT.**— "(1) **IN GENERAL.**—Individuals found by the State educational agency to be in noncompliance with the agreement entered into under subsection (a) shall be required to repay to the State educational agency a pro rata amount of the Christa McAuliffe Career Teacher Corps fellowships received, plus interest at the highest rate applicable to loans under part B of title IV of this Act and, where applicable, reasonable collection fees.

"(2) **EXCEPTION.**—An individual shall not be considered to be in violation of the agreement entered into pursuant to subsection (a) during any period in which such individual meets the exception to repayment provisions set forth in section 548(a)(2), 548(a)(3) or 548(b) of this Act, or if the individual dies.

"(c) **WAIVER.**—The Secretary may provide for the partial or total waiver or suspension of any service obligation or repayment by an individual who received a Christa McAuliffe Career Teacher Corps fellowship whenever compliance by such individual is impossible or would involve extreme hardship to such individual, or if enforcement of such obligation with respect to such individual would be unconscionable.

**"SEC. 557. SECRETARY'S RESPONSIBILITIES.**

"The Secretary shall—

"(1) make awards to State educational agencies having applications approved under section 558; and

"(2) in cooperation with the State educational agency, conduct activities which foster communication among and bring together members of the Christa McAuliffe Career Teacher Corps including activities such as written communications, meetings, or training sessions.

**"SEC. 558. STATE APPLICATION.**

"(a) **APPLICATION REQUIRED.**—Each State educational agency desiring a grant under this subpart shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may reasonably require.

"(b) **CONTENTS.**—Each application submitted pursuant to subsection (a) shall—

"(1) provide assurances that Christa McAuliffe Career Teacher Corps members will be released from teaching responsibilities for up to one school year without jeopardizing the rights such members would have had without participating in the program assisted under this subpart; "(2) provide assurances that the State educational agency, or its designee, in cooperation with local educational agencies, shall maintain accurate records regarding the activities of Christa McAuliffe Career Teacher Corps members within the State to ensure that such members are meeting all conditions of the fellowships provided pursuant to this subpart, and shall notify the Secretary immediately upon a change in a Christa McAuliffe Career Teacher Corps member's status rendering such Christa McAuliffe Career Teacher Corps member in violation of the conditions of the fellowship; and

"(3) provide assurances that the State educational agency has consulted with local educational agencies in designing and developing the Christa McAuliffe Career Teacher Corps program.

**"SEC. 559. STATE USE OF FUNDS.** "(a) **IN GENERAL.**—Each State educational agency awarded a grant under this subpart may use such funds to—

"(1) establish, operate, and expand in-service programs and activities for Christa McAuliffe Career Teacher Corps members at the State and local levels, through professional development schools if such entities exist, or other entity, to improve knowledge of subject matter, and to increase skills and professional ability, in coordination with local educational agencies; "(2) award Christa McAuliffe Career Teacher Corps fellowships; "(3) provide funds to statewide panels to administer programs in accordance with section 555; "(4) award grants to local educational agencies to establish programs and activities described in paragraph (1) through professional development schools if such entities exist or other entities; "(5) publicize the availability of fellowships pursuant to this subpart; and "(6) ensure that each Christa McAuliffe Career Teacher Corps member understands the obligation to repay the fellowship in accordance with section 556(b).

"(b) **PUBLICATION AND RECRUITMENT.**—Each State educational agency receiving assistance under this subpart shall publicize the availability of Christa McAuliffe Career Teacher Corps fellowships in local educational agencies throughout the State, particularly in local educational agencies with minority enrollment in excess of the statewide average minority enrollment, and shall recruit minority teachers to participate in such program. Such publication shall contain a description of programs and activities available to Christa McAuliffe Career Teacher Corps members through professional development schools if such entities exist, institutions of higher education or other approved entities.

**"SEC. 560. EVALUATION.** "(a) **IN GENERAL.**—

"(1) **IN GENERAL.**—The Secretary shall conduct, by grant or contract, an independent evaluation of—

"(A) Christa McAuliffe Career Teacher Corps members; and "(B) the impact of the activities undertaken by the Christa McAuliffe Career Teacher Corps members on teachers, teacher research, curricula, staff development, improvement of programs and improvement of student achievement.

"(2) **COMPETITIVE BASIS.**—The grant or contract described in paragraph (1) shall be awarded on a competitive basis.

"(b) **CONTENTS.**—The evaluation shall—

"(1) include information on the nature of projects developed and implemented by Christa McAuliffe Career Teacher Corps members; "(2) assess the measurable effects of such projects on the academic performance of the students served by such projects; "(3) assess the effect of the fellowship program assisted under this subpart on the postfellowship experiences of Christa McAuliffe Career Teacher Corps members; "(4) identify the barriers to such program's effectiveness; "(5) assess the extent to which successful projects were disseminated and adopted by other teachers and schools without further Federal assistance; and "(6) determine and explore ways to improve the cost-effectiveness of such program.

"(c) **INTERIM EVALUATION REPORTS.**—The Secretary shall submit such interim evaluation reports to the President and the Congress as may be appropriate, and shall submit a final report on or before January 1, 1995.

"(d) **FUNDING.**—The Secretary shall reserve a total of not more than \$1,000,000 from the amounts appropriated pursuant to the authority of section 560A in fiscal years 1993 through 1999 to carry out this section.

**"SEC. 560A. AUTHORIZATION OF APPROPRIATIONS.**

"There are authorized to be appropriated \$27,000,000 for fiscal year 1993 and such sums as may be necessary for each of the 6 succeeding fiscal years to carry out this subpart.

**"PART E—TEACHER CORPS**

**"SEC. 561. TEACHER CORPS PROGRAM AUTHORIZED.**

"(a) **GRANTS BY THE SECRETARY.**—In any fiscal year in which the appropriations for this part do not equal or exceed \$50,000,000, the Secretary is authorized, in accordance with the provisions of this part, to make grants, on a competitive basis, to State educational agencies to carry out Teacher Corps activities.

"(b) **STATE GRANT PROGRAM.**—In any fiscal year in which the appropriations for this part equal or exceed \$50,000,000, the Secretary is authorized, in accordance with the provisions of this part, to make grants to State educational agencies from allocations under subsection (c) to carry out Teacher Corps activities.

"(c) **ALLOCATION.**—Except as provided in subsection (a), each State educational agency shall be eligible to receive a grant under this part in each fiscal year that bears the same ratio to the amount appropriated under section 568 in that fiscal year as the school-age population of the State bears to the school-age population of all States.

"(d) **TEACHER CORPS SCHOOL.**—For the purpose of this part the term 'Teacher Corps school' means a public elementary or secondary school identified by the State educational agency as having the highest levels of poverty and the lowest levels of student achievement based on a ranking of such elementary schools and secondary schools in the State according to the number of children living in poverty and the levels of student achievement. In carrying out the preceding sentence, the State educational agency



shall identify and inform not more than 10 percent of such elementary schools and not more than 10 percent of such secondary schools in the State which have the highest levels of poverty and the lowest levels of student achievement.

**"(e) DESIGNATION.—**

**"(1) SCHOLARSHIP.—**A scholarship awarded under this part shall be referred to as a 'Teacher Corps scholarship'.

**"(2) RECIPIENT.—**A recipient of a scholarship under this part shall be referred to as a 'Teacher Corps member'.

**"SEC. 562. USE OF FUNDS.**

**"(a) SECRETARY.—**The Secretary shall use funds provided pursuant to this part to—

**"(1)** disseminate information nationally about the availability of scholarships under this part;

**"(2)** conduct activities, with the cooperation of the State and local educational agencies, which foster communication among, and bring together, members of the Teacher Corps, including activities such as written communications, meetings, or training sessions;

**"(3)** establish and conduct summer preservice orientation programs for Teacher Corps members about to begin teaching;

**"(4)** ensure that Teacher Corps members recognize the challenges of teaching in a Teacher Corps school;

**"(5)** inform Teacher Corps members of Teacher Corps schools and facilitate the hiring and placement of Teacher Corps members at Teacher Corps schools;

**"(6)** evaluate applications from and award grants to State educational agencies to enable such agencies to award Teacher Corps scholarships in accordance with the provisions of this part; and

**"(7)** collect scholarship repayments from individual Teacher Corps members, in accordance with the provisions of section 566.

**"(b) STATE EDUCATIONAL AGENCY.—**Each State educational agency receiving a grant under this part shall use such grant funds to—

**"(1)** evaluate applications for Teacher Corps membership and award scholarships to Teacher Corps members;

**"(2)** provide technical assistance to local educational agencies establishing and operating induction programs;

**"(3)** ensure that Teacher Corps members understand the obligation to repay the scholarships received under this part upon failure to comply with the conditions of the scholarship; and

**"(4)** ensure that Teacher Corps members are fulfilling the obligation to repay scholarships received under this part, and provide the Secretary with the names and addresses of Teacher Corps members who have not fulfilled such obligation.

**"(c) SPECIAL RULE.—**The Secretary may enter into contracts with or make grants to nonprofit educational organizations for—

**"(1)** recruiting members of the Teacher Corps;

**"(2)** establishing and conducting summer preservice training programs; and

**"(3)** conducting activities that foster communications among and bring together members of the Teacher Corps.

**"(d) RESERVATIONS.—**Each State receiving a grant under this part may reserve—

**"(1)** 5 percent of such grant funds to provide technical assistance to local educational agencies and to pay administrative costs; and

**"(2)** 5 percent of such grant funds to provide for induction and mentoring programs.

**"(e) SPECIAL RULE.—**Each State educational agency receiving a grant under this part may enter into contracts with or award grants to nonprofit educational agencies to conduct the activities described in subsection (b).

**"SEC. 563. TEACHER CORPS.**

**"(a) SELECTION.—**The State educational agency shall select Teacher Corps members.

**"(b) CRITERIA.—**

**"(1) IN GENERAL.—**The State educational agency shall establish criteria to select Teacher Corps members that are intended to—

**"(A)** attract highly qualified individuals to teaching; and

**"(B)** meet the needs of Teacher Corps schools in addressing teacher shortages.

**"(2) CRITERIA.—**The criteria described in paragraph (1) may include—

**"(A)** in the case of students or recent graduates, outstanding academic records, or in other cases, contributions which may be made by individuals working in other careers; and

**"(B)** a demonstrated commitment to teaching or professional experience in substantive fields of expertise in which the State is experiencing or expects to experience teacher shortages.

**"(c) SPECIAL CONSIDERATION.—**The State educational agency, in selecting Teacher Corps members, shall give special consideration to individuals who—

**"(1)** intend to teach or provide related services to students with disabilities;

**"(2)** intend to teach limited-English proficient students;

**"(3)** intend to teach preschool age children;

**"(4)** are from disadvantaged backgrounds, including racial and ethnic minorities and individuals with disabilities; or

**"(5)** are underrepresented in the teaching profession or in the curricular areas in which such individuals are preparing to teach.

**"(d) APPLICATION.—**Each individual desiring to participate in the program assisted under this part shall submit an application at such time, in such manner, and containing such information as the State educational agency may reasonably require.

**"SEC. 564. STATE APPLICATION.**

**"In order to receive funds under this part, a State educational agency, in consultation with the Governor, shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may reasonably require. Each such application shall—**

**"(1)** describe how the State educational agency shall select Teacher Corps members;

**"(2)** identify Teacher Corps schools within the State, where Teacher Corps members shall be assigned, provided that not more than 10 percent of all public schools in the State may be designated Teacher Corps schools;

**"(3)** provide assurances that the State educational agency, in cooperation with local educational agencies, shall assist in employment placement within such State for Teacher Corps members in Teacher Corps schools;

**"(4)** provide assurances that the State educational agency, in cooperation with local educational agencies, shall ensure that Teacher Corps members are paid at rates comparable to other entry level teachers in the school district where the Teacher Corps member is assigned;

**"(5)** provide assurances that the local educational agencies in which the Teacher Corps members shall be placed shall establish or expand induction programs that assist Teacher Corps members in adjusting to the new school and community where such members shall teach, including working with a mentor teacher in the school building where the Teacher Corps members are placed; and

**"(6)** describe how the State educational agency shall monitor and report to the Secretary not less than annually on the operation of programs assisted under this part and on the compliance of individuals who receive Teacher Corps scholarships with the provisions of this part.

**"SEC. 565. SCHOLARSHIPS.**

**"(a) ELIGIBILITY.—**

**"(1) IN GENERAL.—**An individual is eligible to receive Teacher Corps scholarships for a maxi-

mum of 3 years during enrollment in any of the following programs of study, or a combination thereof:

**"(A)** a program of study leading to a baccalaureate or associate's degree;

**"(B)** a 1- or 2-year postbaccalaureate program of study leading to a master's or specialist degree or a teaching certificate; or

**"(C)** a 2-year program of study leading to an associate's degree in early childhood education or early childhood development, or a 1-year program of study leading to a child development associate credential.

**"(2) SPECIAL RULES.—**(A) An individual pursuing a program of study described in subparagraph (B) of paragraph (1) is eligible to receive a Teacher Corps scholarship during any of the first 3 years that such individual is employed as a teacher to defray the costs of pursuing such postbaccalaureate instruction.

**"(B)** An individual in possession of a bachelor's degree, who wishes to enter teaching from another profession, is eligible to receive a Teacher Corps scholarship to enable such individual to receive the instruction necessary to enter the teaching profession, as determined by the State in which the individual wishes to teach. Such instruction may be provided while the individual is employed as a provisional teacher.

**"(b) LIMITATIONS ON AMOUNT AND DURATION.—**Subject to subsection (d), each Teacher Corps member shall receive a \$5,000 scholarship for each academic year of postsecondary education, except that no individual shall receive scholarship assistance for more than 3 years of postsecondary education (including postbaccalaureate), as determined by the Secretary.

**"(c) CONSIDERATION OF AWARD IN OTHER PROGRAMS.—**Each Teacher Corps scholarship awarded pursuant to this part shall be considered as student financial assistance in determining eligibility for student assistance under title IV.

**"(d) ASSISTANCE NOT TO EXCEED NEED.—**Each Teacher Corps scholarship, when added to assistance received under title IV, if any, shall not exceed the cost of attendance, as defined in section 472, at the institution the individual is attending. If the amount of the Teacher Corps scholarship and assistance received under title IV exceeds the cost of attendance, loans received under parts B, D, or E of such title shall be reduced by an amount equal to the amount by which the combined awards exceed the cost of attendance.

**"(e) CONTINUED ELIGIBILITY.—**Each individual who receives a Teacher Corps scholarship shall continue to receive such scholarship payments only during such periods that the State educational agency finds that such individual is—

**"(1)** enrolled as a full-time student in an accredited postsecondary institution; and

**"(2)** maintaining satisfactory progress defined under section 484.

**"SEC. 566. SCHOLARSHIP CONDITIONS.**

**"(a) SCHOLARSHIP AGREEMENT.—**Each individual receiving a scholarship under this part shall enter into a written agreement with the State educational agency which shall provide assurances that each such individual—

**"(1)** shall pursue a course of study which meets State requirements for teacher preparation;

**"(2)** has completed at least 2 years of undergraduate education at an institution of higher education;

**"(3)** shall maintain satisfactory academic progress and participate in teaching-related activities while in undergraduate or post-baccalaureate programs;

**"(4)** shall work as a teacher upon completion of such individual's education for 3 years in a

Teacher Corps school, as identified by the State educational agency pursuant to section 561(d), except that Teacher Corps members may transfer to another such school within the State or in another State upon approval of the State educational agency;

"(5) in carrying out the obligation described in paragraph (4), shall meet the performance requirements of—

"(A) the school in which such individual teaches; and

"(B) local educational agency served by such school;

"(6) shall repay all or part of a Teacher Corps scholarship received under section 562(b) plus interest and, if applicable, reasonable collection fees, in compliance with regulations issued by the Secretary under subsection (b), in the event that the conditions of this subsection are not complied with, except as provided for in subsection (c);

"(7) at least during the first year of employment, shall participate in an induction program which includes working with a mentor teacher selected by the local educational agency in which the Teacher Corps member is employed and who, to the extent practicable, is teaching in the same subject as the Teacher Corps member; and

"(8) who is not enrolled in a program of study as set forth in section 565(a)(1)(C) shall obtain State teacher certification during the period of employment or as soon as possible as State law requires.

**"(b) SCHOLARSHIP REPAYMENT.—**

"(1) **IN GENERAL.**—Individuals found by the State educational agency to be in noncompliance with the agreement entered into under subsection (a) shall be required to repay to the Secretary a pro rata amount of the scholarship awards received, plus interest at the highest rate applicable to loans under part B of title IV and, where applicable, reasonable collection fees, in accordance with the provisions of paragraph (3).

"(2) **EXCEPTIONS TO REPAYMENT.**—An individual shall not be considered to be in violation of the agreement entered into pursuant to subsection (a) during any period in which such individual meets the exceptions to repayment provisions set forth in section 548(a)(2), 548(a)(3) or 548(b), or if the individual dies.

"(3) **REPAYMENT PERCENTAGES.**—Each individual found by the Secretary to be in noncompliance with the agreement entered into under subsection (a) shall be required to repay—

"(A) 100 percent of the total amount of scholarships awarded under this part if such individual does not teach pursuant to the agreement described in subsection (a) or teaches pursuant to such agreement for less than 1 year;

"(B) 67 percent of such amount if such individual teaches pursuant to such agreement for at least 1 year but less than 2 years; and

"(C) 34 percent of such amount if such individual teaches pursuant to such agreement for at least 2 years but less than 3 years.

"(4) **INTEREST.**—If a portion of scholarship is repaid under this subsection in any year, the entire amount of interest on such portion of such scholarship which accrues for such year shall be repaid.

"(5) **USE OF REPAYMENTS.**—Any repayments of scholarships made to the Secretary pursuant to the provisions of this section shall be used by the Secretary to make additional grants in accordance with the provisions of this part.

"(c) **WAIVER.**—The Secretary may provide for the partial or total waiver or suspension of any service obligation or repayment by an individual who received a Teacher Corps scholarship whenever compliance by such individual is impossible or would involve extreme hardship to such individual.

**"SEC. 567. PUBLICATION AND RECRUITMENT.**

"(a) **IN GENERAL.**—The Secretary shall—

"(1) publicize the availability of, and procedure to apply for, Teacher Corps scholarships, particularly among students participating in teaching-related activities through summer teaching institutes, future teacher clubs, and other teaching-related activities, at institutions of higher education nationwide, particularly in institutions of higher education with large minority enrollments, historically black colleges and universities, secondary schools nationwide, (especially such schools with minority enrollment in excess of the statewide average minority enrollment) and with—

"(A) individuals participating in programs assisted under subpart 4 of part A of title IV;

"(B) individuals leaving the armed services, the Peace Corps, and VISTA;

"(C) community-based organizations working in minority education; and

"(D) other agencies and entities likely to attract individuals interested in entering teaching from another career;

"(2) recruit minority students to participate in the program assisted under this part; and

"(3) recruit students with outstanding academic records to participate in such program.

"(b) **SPECIAL RULE.**—The publications required under subsection (a) shall describe substantive fields of expertise and geographic areas experiencing teacher shortages within the Nation.

**"SEC. 568. AUTHORIZATION OF APPROPRIATIONS.**  
 "There are authorized to be appropriated \$50,000,000 for fiscal year 1993 and such sums as may be necessary for each of the 6 succeeding fiscal years to carry out the provisions of this part.

**"PART F—STATE ACADEMIES FOR EDUCATORS**

**"SEC. 570. PURPOSES.**

"It is the purpose of this part to establish State Academies for Educators that—

"(1) upgrade, enhance and renew teacher knowledge of subject matter in key academic subjects;

"(2) improve the training and performance of current and prospective school leaders in instructional leadership, school-based management, school reform strategies, and implementation of school-level accountability mechanisms; and

"(3) improve teacher training by providing prospective and novice teachers an opportunity to work in school-based settings under the guidance of experienced mentor teachers.

**"Subpart 1—General Provisions**

**"SEC. 571. ALLOTMENT OF FUNDS; AUTHORIZATION OF APPROPRIATIONS.**

"(a) **ALLOTMENT OF FUNDS.**—

"(1) **RESERVATION.**—From the total amount appropriated pursuant to the authority of subsection (b) in each fiscal year, the Secretary may reserve an amount not to exceed two percent of such amount for evaluation and dissemination of activities assisted under subparts 2, 3, and 4 of this part.

"(2) **ALLOTMENT.**—From the funds appropriated pursuant to the authority of subsection (b) for each of subparts 2, 3, 4, and 5 of this part and not reserved pursuant to subsection (a), the Secretary shall allot to each State educational agency—

"(A) 50 percent of the funds available for each such subpart on the basis of the number of full-time equivalents of public school teachers in the State compared to the total number of full-time equivalents of public school teachers in all States;

"(B) 25 percent of the funds available for each such subpart on the basis of the amount the State receives under sections 1005 and 1006 of

chapter 1 of title 1 of the Elementary and Secondary Education Act of 1965 compared to the total amount that all States receive under such chapter; and

"(C) 25 percent of the funds available for each such subpart on the basis of the number of individuals in the State aged 5 through 17 compared to the number of all such individuals in all States.

**"(b) AUTHORIZATION OF APPROPRIATIONS.—**

"(1) **SUBPARTS 2, 3, AND 4.**—There are authorized to be appropriated \$132,000,000 for fiscal year 1993 and such sums as may be necessary for the 6 succeeding fiscal years to carry out subparts 2, 3, and 4 of this part, of which—

"(A) 50 percent of the amount appropriated in any fiscal year shall be available to carry out subpart 2;

"(B) 15 percent of such amount shall be available to carry out subpart 3; and

"(C) 35 percent of such amount shall be available to carry out subpart 4.

"(2) **SUBPART 5.**—There are authorized to be appropriated \$8,000,000 for fiscal year 1993 and such sums as may be necessary for each of the 6 succeeding fiscal years to carry out the provisions of subpart 5.

**"SEC. 572. PLAN.**

"(a) **IN GENERAL.**—Each State educational agency desiring assistance under this part shall prepare a plan, in consultation with the Governor, and submit such plan to the Secretary.

"(b) **CONTENTS.**—Each plan submitted pursuant to subsection (a) shall contain—

"(1) a description of the Academies to be established under this part and the goals and objectives for each such Academy;

"(2) a description of how the Academies assisted under this part shall relate to the overall plan for the attainment of the National Education Goals by the State;

"(3) a description of the competitive process that shall be used to select applicants to operate the Academies assisted under this part, including the role of the Governor in making such selections;

"(4) an assurance that the Academies for Teachers shall provide instruction in the key academic subjects;

"(5) a description of how the State shall monitor the activities of the Academies assisted under this part;

"(6) a description of plans to conduct an independent evaluation, at least once every 2 years, of the impact of the Academies assisted under this part on participants;

"(7) a description of how the State shall meet the cost-sharing requirements of this part and an assurance that the State educational agency, or other State agency, shall provide the non-Federal share of funds required under this part for all 5 years in which an allotment under this part is received;

"(8) an assurance that the State shall continue to operate the Academies assisted under this part when Federal funds provided pursuant to this title are no longer available;

"(9) a description of the steps to be taken by the Academies assisted under this part to recruit individuals from minority groups, bilingual individuals, individuals with disabilities, and individuals from areas with high numbers or concentrations of disadvantaged students to participate in the activities of the Academies assisted under this part;

"(10) an assurance that Federal funds provided under this part shall not be used for construction of new facilities or substantial remodeling;

"(11) a description of how the activities assisted under this part shall be coordinated with other teacher training activities in the State;

"(12) identification of the State agency that shall administer the programs assisted under



this part, if the State educational agency does not administer such programs;

"(13) an assurance that the State shall use an amount not to exceed 5 percent of all Federal funds received under this part for administrative purposes;

"(14) an assurance that programs offered by the Academies assisted under this part shall be of sufficient length and comprehensiveness to significantly improve participants' knowledge; and

"(15) other assurances and information as the Secretary may reasonably require.

#### **"SEC. 573. MULTISTATE OR REGIONAL PROJECTS.**

"Each State receiving assistance under this part may combine resources with any other State to operate Academies assisted under this part on a multistate or regional basis.

#### **"SEC. 574. PAYMENT RULES.**

"(a) DURATION.—The Secretary shall not make allotments to any State under section 571 for a period that exceeds 5 years.

"(b) SECRETARY'S REVIEW.—The Secretary shall only make the allotment described in section 571 to a State if the Secretary determines that—

"(1) the State educational agency is carrying out the activities described in the application submitted pursuant to section 572 and making reasonable progress in achieving the goals contained in such application;

"(2) each such Academy shows promise of continuing to meet such goals; and

"(3) the State educational agency is providing its share of the cost-sharing requirements.

#### **"SEC. 575. DEFINITIONS.**

"(a) ACADEMY.—

"(1) IN GENERAL.—Except as provided in paragraphs (2) and (3) and unless otherwise specified, the term 'Academy'—

"(A) as used in subpart 2, means a course of instruction and related activities to increase a teacher's knowledge of a specific subject area, a teacher's ability to impart such knowledge to students, and a teacher's ability to address any other issue described in section 579;

"(B) as used in subpart 3, means a course of instruction and related activities to increase a school leader's knowledge of the tools and techniques of school management and leadership, and such leader's ability to exercise such tools and techniques in the school setting, and may include a course of instruction for district-level school system leaders separately or in combination with school leaders and teachers; and

"(C) as used in subpart 4, means school-based teacher training operated as a partnership between one or more elementary or secondary schools and one or more institutions of higher education that provide prospective and novice teachers an opportunity to work under the guidance of master teachers and college faculty members.

"(2) SCHOOL RESTRUCTURING AND TEAM MANAGEMENT.—The term 'Academy' may include a course of joint instruction for teachers and school leaders on the methods of school restructuring and school-based management.

"(3) SPECIAL RULES.—The term 'Academy'—

"(A) does not mean a physical facility; and

"(B) does not require a separate location from another Academy or other training program.

"(b) ELIGIBLE ENTITY.—The term 'eligible entity'—

"(1) as used in subpart 2, means a local educational agency, an institution of higher education, a museum, a private nonprofit educational organization of demonstrated effectiveness, or a consortium of any 2 or more such entities;

"(2) as used in subpart 3, means a technical assistance center assisted under subpart 2 of part C of title V of this Act as such Act was in effect on the day before the date of enactment of

the Higher Education Amendments of 1991, a local educational agency, an institution of higher education, a museum, a private nonprofit educational organization of demonstrated effectiveness, or a consortium of any 2 or more such entities; and

"(3) as used in subpart 4, means a partnership that includes one or more local educational agencies and one or more institutions of higher education.

"(c) KEY ACADEMIC SUBJECTS.—For purposes of this part, the term 'key academic subjects' means English, mathematics, science, history, geography, foreign languages, and civics and government.

"(d) STATE.—For purposes of this part, the term 'State' means each of the 50 States, the District of Columbia, the Commonwealth of Puerto Rico, and the Virgin Islands.

#### **"SEC. 575A. EVALUATION AND REPORT.**

"(a) REPORT TO SECRETARY.—Each State educational agency receiving an allotment under this part shall evaluate the work of each Academy that is located in the State and assisted under this part every 2 years including the impact of each Academy's programs on participants, and report the findings of such evaluation to the Secretary. The initial report shall be submitted 3 years after funds are first allotted to such State educational agency under section 571 and subsequent reports shall be submitted every 2 years thereafter. Such report shall also describe the characteristics of the participants and activities provided at each Academy assisted under this part.

"(b) REPORT TO CONGRESS.—The Secretary shall submit to the Congress a summary of the reports required under subsection (a). The initial summary shall be submitted 60 days after the due date of the first report described in subsection (a) and subsequent summaries shall be submitted every 2 years thereafter.

"Subpart 2—State Academies for Teachers

#### **"SEC. 576. PURPOSE.**

"It is the purpose of this subpart to improve elementary and secondary school teacher subject matter knowledge and teaching skills in each of the key academic subjects by establishing one or more Academies in the key academic subjects in every State.

#### **"SEC. 577. APPLICATION REQUIRED.**

"(a) IN GENERAL.—Each eligible entity desiring to operate an Academy under this subpart shall submit an application to the State educational agency at such time, in such manner, and accompanied by such information as the State may reasonably require.

"(b) CONTENTS.—Each application submitted pursuant to subsection (a) shall describe—

"(1) the goals of the Academy and the steps that shall be taken to evaluate the extent to which the Academy reaches its goals;

"(2) the curriculum to be used or developed by the Academy;

"(3) steps to be taken to recruit teachers for the Academy's program, including outreach efforts to identify and attract—

"(A) minority group members;

"(B) individuals with disabilities;

"(C) individuals from areas with large numbers or concentrations of disadvantaged students; and

"(D) other teachers with the potential to serve as mentor teachers;

"(4) steps to be taken to ensure that faculty members teaching at the Academy shall be of exceptional ability and experience, including outreach efforts to identify and attract as faculty members—

"(A) minority group members;

"(B) individuals with disabilities; and

"(C) individuals from areas with large numbers or concentrations of disadvantaged students.

"(5) efforts to be undertaken to disseminate information about the Academy;

"(6) selection criteria to be used in identifying teachers to participate in the Academy;

"(7) steps to be taken to assure that the programs offered by the Academy shall be of sufficient length and comprehensiveness to significantly improve participants' knowledge; and

"(8) efforts to be undertaken to evaluate the impact of the Academy on participants.

#### **"SEC. 578. USE OF ALLOTTED FUNDS.**

"(a) GRANTS.—Each State educational agency receiving an allotment under this part shall use such allotment to award one or more competitive grants to eligible entities to enable such eligible entities to operate an Academy in accordance with the provisions of this subpart.

"(b) COSTS.—Each eligible entity receiving a grant under this subpart shall use such funds to meet the operating costs of carrying out the activities described in section 579, which may include reasonable startup and initial operating costs, and stipends, travel, and living expenses for teachers who participate in the Academy's program if no other funds are available to pay such costs.

#### **"SEC. 579. AUTHORIZED ACTIVITIES.**

"Each eligible entity receiving a grant to operate an Academy under this subpart shall use such grant funds for—

"(1) enhancement of participants' knowledge in key academic subjects;

"(2) skills and strategies to improve academic achievement of students, especially students who are economically disadvantaged, are limited-English proficient, or have disabilities;

"(3) improved teaching and classroom management skills; and

"(4) any other purpose described in the plan submitted pursuant to section 572 and approved by the Secretary.

#### **"SEC. 580. COST-SHARING.**

"Funds received under this subpart may be used to pay not more than 75 percent of the cost of operating an Academy in the first year an eligible entity receives a grant under this subpart, 65 percent of such cost in such second year, 55 percent of such cost in such third year, 45 percent of such cost in such fourth year, and 35 percent of such cost in such fifth year. The remaining share shall be provided from non-Federal sources, and may be in cash or in-kind contributions, fairly valued.

#### **"SEC. 580A. SPECIAL RULES.**

"(a) USES OF FUNDS.—

"(1) KEY ACADEMIC SUBJECTS.—At least 70 percent of funds received under this subpart shall be used for enhancement of participant knowledge in key academic subjects.

"(2) OTHER SUBJECTS.—At least 20 percent of the funds received under this subpart shall be used for enhancement of participant knowledge in areas not related to academic subjects.

"(b) SPECIAL RULE.—In awarding grants under this part the State educational agency may provide for training in 2 or more key academic subjects at a single site.

#### **"SEC. 580B. SELECTION PANEL.**

"(a) ESTABLISHMENT.—Each Academy established under this subpart shall establish a 10-member selection panel to select teachers to attend the National Teacher Academies established pursuant to part G.

"(b) COMPOSITION AND REPRESENTATION.—

"(1) COMPOSITION.—At least 50 percent of the membership of each selection panel shall be classroom teachers, selected in consultation with teacher organizations, if any, in the State.

"(2) REPRESENTATION.—The composition of each selection panel shall be broadly representative of the elementary and secondary schools and the local educational agencies served by the Academy.

"(c) **FUNCTION.**—Each selection panel shall—  
 "(1) annually select the State delegations in accordance with section 595; and

"(2) involve the individuals selected pursuant to paragraph (1) in the operation of the Academy, if any, or other in-service training activities in the local educational agency in which such individuals teach.

"Subpart 3—State Academies for School Leaders  
**"SEC. 581. PURPOSE.**

"It is the purpose of this subpart to improve the training and performance of school principals and other school leaders and to increase the number of persons who are highly trained to be principals and school leaders by establishing an Academy for current and prospective school leaders in every State.

**"SEC. 582. APPLICATION REQUIRED.**

"(a) **IN GENERAL.**—Each eligible entity desiring to operate an Academy under this subpart shall submit an application to the State educational agency at such time, in such manner and accompanied by such information as the State may reasonably require.

"(b) **CONTENTS.**—Each application submitted pursuant to subsection (a) shall describe—

"(1) the goals of the Academy and the steps that shall be taken to evaluate the extent to which the Academy reaches its goals;

"(2) the curriculum to be used or developed by the Academy;

"(3) the steps to be taken to recruit school leaders for the Academy's program, including outreach efforts to identify and attract—

"(A) minority group members;

"(B) individuals with disabilities;

"(C) individuals from areas with large numbers or concentrations of disadvantaged students; and

"(D) other individuals with potential to become school leaders;

"(4) efforts to be taken to disseminate information about the Academy;

"(5) selection criteria to be used in identifying school leaders to participate in the Academy;

"(6) steps to be taken to assure that the programs offered by the Academy shall be of sufficient length and comprehensiveness to significantly improve participants' knowledge;

"(7) steps to be taken to assure the involvement of private sector managers and executives from businesses in the conduct of the Academy's programs; and

"(8) efforts to be undertaken to evaluate the impact of the Academy on participants.

**"SEC. 583. USE OF ALLOTTED FUNDS.**

"(a) **GRANTS.**—Each State educational agency receiving an allotment under this subpart shall use such allotment to award competitive grants to an eligible entity to enable such eligible entity to operate an Academy in accordance with the provisions of this subpart.

"(b) **COSTS.**—Each eligible entity receiving funds under this subpart shall use such funds to meet the costs of carrying out the activities described in section 584, which may include reasonable startup and initial operating costs, and stipends, travel, and living expenses for participants in the Academy if no other funds are available to pay such costs.

"(c) **LIMITATIONS.**—

"(1) **PARTICIPANTS.**—At least 70 percent of the participants in an Academy shall be from the school building level.

"(2) **SPECIAL RULE.**—In awarding grants under this subpart, the State educational agency may provide for the location at the same site of Academies assisted under this subpart and Academies assisted under subpart 2.

**"SEC. 584. AUTHORIZED ACTIVITIES.**

"Each eligible entity receiving a grant to operate an Academy under this subpart shall use such grant funds for—

"(1) development and enhancement of participants' knowledge in instructional leadership, school-based management, shared decisionmaking, school improvement strategies and school-level accountability mechanisms;

"(2) identification and recruitment of candidates, including individuals who are minority, disabled, and bilingual, to be trained as school leaders;

"(3) conducting programs which provide for the involvement of private sector managers and executives from businesses; and

"(4) any other purpose described in the plan submitted pursuant to section 572 and approved by the Secretary.

**"SEC. 585. COST-SHARING.**

"Funds received under this subpart may be used to pay not more than 75 percent of the cost of operating an Academy in the first year an eligible entity receives a grant under this subpart, 65 percent of such cost in such second year, 55 percent of such cost in such third year, 45 percent of such cost in such fourth year, and 35 percent of such cost in such fifth year. The remaining share shall be provided from non-Federal sources, and be in cash or in kind, fairly valued.

"Subpart 4—Professional Development Academies

**"SEC. 586. PURPOSE.**

"It is the purpose of this subpart to improve teacher and school leader training by establishing at least one school-based teacher training program in every State that provides prospective and novice teachers and school leaders the opportunity to work under the guidance of experienced mentors or master teachers and faculty members from institutions of higher education.

**"SEC. 587. APPLICATION REQUIRED.**

"(a) **IN GENERAL.**—Each eligible entity desiring to operate an Academy under this subpart shall submit an application to the State educational agency at such time, in such manner and accompanied by such information as the State educational agency may reasonably require.

"(b) **CONTENTS.**—Each application submitted pursuant to subsection (a) shall describe—

"(1) what schools within the local educational agency and what institutions of higher education shall participate in the partnership or otherwise participate in the program;

"(2) the goals of the Academy and the steps that shall be taken to evaluate the extent to which the Academy reaches such goals;

"(3) the activities, services and programs to be offered by the Academy;

"(4) ways in which the professional development programs shall cover course content in key academic subjects, methods of instruction, and classroom and school-based management skills;

"(5) plans to involve prospective and novice teachers in the programs offered by the Academy, including outreach efforts to identify and attract—

"(A) minority group members;

"(B) individuals with disabilities; and

"(C) individuals from areas with large numbers or concentrations of disadvantaged students; and

"(6) efforts to be taken to disseminate information about the Academy.

"(c) **ASSURANCES.**—Each application submitted pursuant to subsection (a) shall contain assurances that—

"(1) professional development programs at the Academy shall be designed and conducted by faculty members from institutions of higher education and teachers from local schools of demonstrated excellence;

"(2) the activities, services and programs offered by the Academy shall be developed in consultation within the faculty of institutions of

higher education and elementary and secondary schools;

"(3) participating faculty from institutions of higher education shall include faculty members who are experts in the key academic subjects; and

"(4) the activities, services and programs offered by the Academy shall be of sufficient length and comprehensiveness to significantly improve participants' knowledge.

**"SEC. 588. USE OF ALLOTTED FUNDS.**

"(a) **GRANTS.**—

"(1) **IN GENERAL.**—Each State educational agency receiving an allotment under this subpart shall use such allotment to award competitive grants to eligible entities to enable such eligible entities to operate an Academy in accordance with the provisions of this subpart.

"(2) **COSTS.**—Each eligible entity receiving a grant under this subpart shall use such funds to meet the operating costs of carrying out the activities described in section 589, which may include reasonable startup and initial operating costs, and stipends, travel, and living expenses for teachers who participate in the Academy's program if no other funds are available to pay such costs.

"(3) **SPECIAL RULE.**—The State educational agency may limit the amount of funds under this subpart that may be used for minor remodeling and the purchase of equipment.

**"SEC. 589. AUTHORIZED ACTIVITIES.**

"Each eligible entity receiving a grant to operate an Academy under this subpart shall use such grant funds for—

"(1) training and internship activities for prospective or novice teachers in a school setting under the guidance of master or mentor teachers and faculty from institutions of higher education, especially faculty who are experts in key academic subjects;

"(2) mentoring and induction activities for prospective and novice teachers, including such teachers seeking to enter teaching through alternative routes;

"(3) teaching skills and strategies to increase the ability of prospective, novice and experienced teachers to teach disadvantaged students, students with disabilities (including students with severe and multiple disabilities and students with lesser known or newly emerging disabilities), students who are limited-English proficient, and students from diverse cultural backgrounds;

"(4) programs to enhance teaching and classroom management skills of novice, prospective and experienced teachers including school-based management skills;

"(5) experimentation and research to improve teaching and learning conducted in the Academy by teachers and university faculty; and

"(6) any other purpose described in the plan submitted pursuant to section 572 and approved by the Secretary.

**"SEC. 590. COST-SHARING.**

"Funds received under this subpart may be used to pay not more than 75 percent of the cost of operating an Academy in the first 3 years an eligible entity receives a grant under this subpart and not more than 50 percent of such cost in such fourth and fifth years. The remaining share shall be provided from non-Federal sources, and may be in-kind, fairly valued.

"Subpart 5—Teacher Awards

**"SEC. 590A. PURPOSE.**

"It is the purpose of this subpart to recognize and honor outstanding teachers.

**"SEC. 590B. TEACHER AWARDS.**

"(a) **AWARDS.**—

"(1) **IN GENERAL.**—From the amount allotted to each State to carry out the provisions of this subpart, each State educational agency shall award grants in accordance with paragraph (2)



to Academies assisted under subpart 2 to enable such Academies to carry out a program of providing cash awards and recognition to outstanding teachers in the academic subjects in which training is received at such Academies.

"(2) **ALLOCATION OF FUNDS.**—The State educational agency shall award grants under this subpart to each Academy assisted under subpart 2 in the State on the basis of the number of full-time equivalents of public school teachers attending each Academy assisted under subpart 2 in the State compared to the number of full-time equivalents of all public school teachers in the State.

"(b) **ELIGIBILITY.**—Each of the Academies assisted under this part that receives a grant under subpart 2 shall only make teacher awards to full-time elementary or secondary school teachers in the State.

"(c) **MAXIMUM AMOUNT.**—Teacher awards under this subpart shall not exceed \$5,000.

#### "SEC. 590C. NOMINATIONS AND AWARD CRITERIA.

"(a) **NOMINATIONS.**—Each of the Academies assisted under subpart 2 that receives a grant under this subpart shall select teacher award recipients from among individuals nominated by a local educational agency, public or private elementary or secondary school, teacher, association of teachers, parent, association of parents and teachers, business, business group, or student group.

"(b) **AWARD CRITERIA.**—

"(1) **IN GENERAL.**—Each of the Academies assisted under subpart 2 that receives a grant under this subpart shall select teacher award recipients on the basis of criteria developed by such Academies and approved by the State educational agency.

"(2) **CRITERIA.**—The criteria described in paragraph (1) may include—

"(A) educating disadvantaged children and children with disabilities;

"(B) educating gifted and talented children;

"(C) boosting student achievement in key academic subjects;

"(D) introducing a new curriculum in a core academic subject into a school or strengthening an established curriculum;

"(E) acting as a master teacher; and

"(F) other criteria as developed by the Academies and approved by the State educational agency.

#### "PART G—NATIONAL TEACHER ACADEMIES

##### "SEC. 591. PROGRAM ESTABLISHED.

"(a) **IN GENERAL.**—The Secretary is authorized, in accordance with the provisions of this part, to make grants to eligible recipients to establish and operate National Teacher Academies.

"(b) **SUBJECT AREAS AND STAFF.**—

"(1) **SUBJECT AREAS.**—At least 1 but not more than 3 National Teacher Academies shall be established in each of the following subject areas commonly taught in elementary and secondary schools:

"(A) English.

"(B) Mathematics.

"(C) Science.

"(D) History.

"(E) Geography.

"(F) Civics and government.

"(G) Foreign languages.

"(2) **STAFF.**—Academy staff shall be selected from the most accomplished and prominent scholars in the relevant fields of study and in the methodologies which improve the skills of persons who teach in such fields of study.

"(c) **DURATION OF GRANT.**—Each grant to establish and operate a National Teacher Academy shall be for a period of 3 years, and is renewable.

"(d) **COMPETITIVE GRANT AWARDS.**—The Secretary shall award grants under this part on a competitive basis.

#### "SEC. 592. ELIGIBLE RECIPIENTS.

"(a) **IN GENERAL.**—For the purposes of this part, the term 'eligible recipient' means—

"(1) an institution of higher education;

"(2) a private nonprofit educational organization of demonstrated effectiveness; or

"(3) a combination of the institutions or organizations set forth in paragraphs (1) and (2) of this paragraph.

"(b) **EXPERTISE REQUIREMENTS.**—The Secretary shall only award grants to eligible recipients that have demonstrated expertise in the—

"(1) subject area of the National Teacher Academy to be established and operated; and

"(2) in-service training of teachers at the national, State, and local levels.

#### "SEC. 593. USE OF FUNDS.

"(a) **IN GENERAL.**—Funds provided pursuant to this part shall be used to—

"(1) provide in-service training programs for teachers and administrators including—

"(A) programs which emphasize improving the teachers' knowledge in the particular subject area of the National Teacher Academy;

"(B) programs which integrate knowledge of subject matter with techniques for communicating that knowledge to students, including students who are disadvantaged, limited-English proficient, or who have disabilities;

"(C) the use of the most recent applied research findings concerning education and the classroom; and

"(D) integrating materials from different disciplines into classroom instruction, especially for elementary school teachers;

"(2) conduct at least one summer institute of at least 3 weeks duration each year for the State delegations described in section 595; and

"(3) provide support services to the State Academies for Teachers including—

"(A) the establishment of a national network of individuals to assist in teacher education programs in State Academies for Teachers;

"(B) consulting assistance in the design and implementation of in-service teacher training programs; and

"(C) monthly newsletters or other methods of communicating useful information.

"(b) **ADMINISTRATIVE COSTS.**—Not more than 10 percent of the amount of funds received under this part may be used by eligible recipients for administrative costs.

#### "SEC. 594. APPLICATION.

"(a) **APPLICATION.**—Each eligible recipient desiring a grant under this part shall submit an application to the Secretary at such time and in such manner as the Secretary may reasonably require.

"(b) **CONTENTS.**—Each application submitted pursuant to subsection (a) shall—

"(1) describe the activities, services, and programs for which assistance is sought;

"(2) describe how at least 70 percent of the institute's time shall be devoted to basic course content relevant to the particular subject field and necessary for improving the quality of teaching in public and private elementary and secondary schools;

"(3) describe how not more than 30 percent of the National Teacher Academy's time shall be devoted to methods of instruction relevant to the particular subject field;

"(4) describe how the National Teacher Academy's activities will be coordinated with or administered cooperatively with institutes established by other Federal entities, such as the National Science Foundation and the National Endowment for the Humanities; and

"(5) provide such additional assurances or information as the Secretary may reasonably require.

#### "SEC. 595. STATE DELEGATIONS.

"(a) **IN GENERAL.**—Each selection panel established pursuant to section 580B shall select a

State delegation to participate in each National Teacher Academy assisted under this part.

"(b) **COMPOSITION.**—

"(1) **IN GENERAL.**—Except as provided in paragraphs (2) and (3), each State delegation described in subsection (a) shall, at a minimum, be composed of—

"(A) 1 school administrator with authority to design and conduct in-service teacher training and academic programs; and

"(B) at least 5 teachers, of whom at least 2 shall be elementary school teachers.

"(2) **SPECIAL RULE.**—The State delegations for the Commonwealth of the Northern Mariana Islands, Guam, the Virgin Islands, American Samoa and the Republic of Palau (until the Compact of Free Association is ratified) shall, at a minimum, be composed of—

"(A) 1 school administrator with authority to design and conduct in-service teacher training and academic programs; and

"(B) at least 3 teachers, of whom at least 1 shall be an elementary school teacher.

"(3) **ADDITIONAL TEACHERS.**—

"(A) Each State that has obtained the approval of the appropriate National Teacher Academy may send to such National Teacher Academy the number of additional teachers determined in accordance with subparagraph (B).

"(B) The appropriate National Teacher Academy shall determine the number of additional teachers to attend such National Teacher Academy on the basis of the number of full-time equivalent teachers in the State compared to such number in all States.

"(c) **DUTIES.**—Each State delegation shall—

"(1) attend the appropriate subject area summer institute at the appropriate National Teacher Academy; and

"(2) after participation in the National Teacher Academy assist in the development and operation of the appropriate Academy.

#### "SEC. 595A. SELECTION.

"Individuals participating in a National Teacher Academy shall be selected by the selection panel described in section 580B in accordance with the provisions of section 595.

#### "SEC. 595B. NATIONAL TEACHER EVALUATION.

"The Secretary shall evaluate the system of National Teacher Academies and the effects of such Academies on teachers every 2 years. The Secretary shall make available to the Congress and the public the results of such evaluation.

#### "SEC. 595C. AUTHORIZATION OF APPROPRIATIONS.

"(a) **IN GENERAL.**—There are authorized to be appropriated \$35,000,000 for fiscal year 1993 and such sums as may be necessary for the 6 succeeding fiscal years to carry out the provisions of part G, of which no more than \$5,000,000 is authorized to be appropriated for each of the National Teacher Academy subject areas listed in section 591(b)(1).

"(b) **SPECIAL RULE.**—(1) If the amount appropriated pursuant to the authority of subsection (a) is less than \$14,000,000, then not more than \$2,000,000 shall be available for each National Teacher Academy subject area in the order in which such subject areas are listed in section 591(b)(1), until such funds are exhausted.

"(2) If the amount appropriated pursuant to the authority of subsection (a) is equal to or exceeds \$14,000,000, then such funds shall be allocated equitably among each of the National Teacher Academy subject areas listed in section 591(b)(1).

#### "PART H—ALTERNATIVE ROUTES TO TEACHER AND PRINCIPAL CERTIFICATION AND LICENSURE

##### "SEC. 596. SHORT TITLE.

"This part may be cited as the 'Alternative Routes to Teacher and Principal Certification and Licensure Act of 1991'.

**"SEC. 597. FINDINGS.**

"The Congress finds that—

"(1) effective elementary and secondary schools require competent teachers and strong leadership;

"(2) school systems would benefit greatly by increasing the pool of qualified individuals from which to recruit teachers and principals;

"(3) many talented professionals who have demonstrated a high level of subject area competence outside the education profession may wish to pursue careers in education, but have not fulfilled the requirements to be certified or licensed as teachers or principals;

"(4) alternative routes can enable qualified individuals to fulfill State certification or licensure requirements and would allow school systems to utilize the expertise of such professionals and improve the pool of qualified individuals available to local educational agencies as teachers and principals; and

"(5) alternative routes to certification or licensure requirements that do not exclude qualified individuals from teaching solely because such individuals do not meet traditional certification or licensure requirements would allow school systems to take advantage of these professionals and improve the supply of well-qualified teachers and principals.

**"SEC. 598. PURPOSE.**

"It is the purpose of this part to improve the supply of well-qualified elementary and secondary school teachers and principals by encouraging and assisting States to develop and implement programs for alternative routes to teacher and principal certification or licensure requirements. Such programs shall place special emphasis on the participation of individuals who are members of minority groups.

**"SEC. 599. DEFINITION.**

"For purposes of this part, the term 'State' means each of the 50 States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Northern Mariana Islands, and Palau (until the Compact of Free Association with Palau takes effect pursuant to section 101(a) of Public Law 99-658).

**"SEC. 599A. ALLOTMENTS.**

"(a) ALLOTMENTS.—

"(1) IN GENERAL.—From the amount appropriated to carry out this part, the Secretary shall allot to each State the lesser of either the amount the State applies for under section 599B or an amount that is proportional to the State's share of the total population of children ages five through seventeen in all the States (based on the most recent data available that is satisfactory to the Secretary).

"(2) REALLOTMENT.—If a State does not apply for its allotment, or the full amount of its allotment, under the preceding paragraph, the Secretary may reallocate the excess funds to one or more other States that demonstrate, to the satisfaction of the Secretary, a current need for the funds.

"(b) SPECIAL RULE.—Notwithstanding section 412(b) of the General Education Provisions Act, funds awarded under this part shall remain available for obligation by a recipient for a period of two calendar years from the date of the grant.

**"SEC. 599B. STATE APPLICATIONS.**

"(a) IN GENERAL.—Any State desiring to receive an allotment under this part shall, through the State educational agency, submit an application at such time, in such manner, and containing such information, as the Secretary may reasonably require.

"(b) REQUIREMENTS.—Each application shall—

"(1) describe the programs, projects, and activities to be undertaken; and

"(2) contain such assurances as the Secretary considers necessary, including assurances that—

"(A) assistance provided to the State educational agency under this part will be used to supplement, and not to supplant, any State or local funds available for the development and implementation of programs to provide alternative routes to fulfilling teacher and principal certification or licensure requirements;

"(B) the State educational agency has, in developing and designing the application, consulted with—

"(i) representatives of local educational agencies, including superintendents and school board members (including representatives of such superintendents' and members' professional organizations where applicable);

"(ii) elementary and secondary school teachers and principals, including representatives of their professional organizations;

"(iii) parents; and

"(iv) other interested organizations and individuals; and

"(C) the State educational agency will submit to the Secretary, at such time as the Secretary may specify, a final report describing the activities carried out with assistance provided under this part and the results achieved.

"(c) GEPA PROVISIONS INAPPLICABLE.—Sections 435 and 436 of the General Education Provisions Act, except to the extent that such sections relate to fiscal control and fund accounting procedures, shall not apply to this part.

**"SEC. 599C. USE OF FUNDS.**

"(a) MANDATORY.—

"(1) IN GENERAL.—A State educational agency shall use assistance provided under this part to support programs, projects, or activities that develop and implement new, or expand and improve existing, programs that provide teacher and principal training to individuals who are moving to a career in education from another occupation through an alternative route to teacher certification or licensure.

"(2) METHODS OF ASSISTANCE.—A State educational agency may carry out such programs, projects, or activities directly, through contracts, or through grants to local educational agencies, intermediate educational agencies, institutions of higher education, or consortia of such agencies.

"(b) PERMISSIVE.—Funds received under this part may be used for—

"(1) the design, development, implementation, and evaluation of programs that enable qualified professionals who have demonstrated a high level of subject area competence outside the education profession and are interested in entering the education profession to fulfill State certification or licensure requirements;

"(2) the establishment of administrative structures necessary for the development and implementation of programs to provide alternative routes to fulfilling State requirements for certification or licensure;

"(3) training of staff, including the development of appropriate support programs, such as mentor programs, for teachers and principals entering the school system through alternative routes to teacher and principal certification or licensure;

"(4) the development of recruitment strategies;

"(5) the development of reciprocity agreements between or among States for the certification or licensure of teachers and principals; and

"(6) other appropriate programs, projects, and activities designed to meet the objectives of this part.

**"SEC. 599D. AUTHORIZATION OF APPROPRIATIONS.**

"There are authorized to be appropriated \$15,000,000 for fiscal year 1993 to carry out this part.

**"PART I—MIDDLE SCHOOL TEACHING DEMONSTRATION PROGRAMS****"SEC. 599E. STATEMENT OF PURPOSE.**

"It is the purpose of this part to provide financial assistance to institutions of higher education which offer teacher training or retraining programs to develop model programs with a specialized focus on teaching grades 6 through 9.

**"SEC. 599F. DEFINITIONS.**

"As used in this part—

"(1) The term 'developmentally appropriate' means a program that is appropriate for a child's age and all areas of an individual child's development, including educational, physical, emotional, social, cognitive, and communication.

"(2) The term 'middle school' means a school which enrolls students in at least two of the grades 6, 7, 8, and 9.

**"SEC. 599G. PROGRAM AUTHORIZED.**

"(a) IN GENERAL.—The Secretary is authorized to make grants, on a competitive basis, to institutions of higher education to develop model programs with a specialized focus on teaching grades 6 through 9.

"(b) SPECIAL RULE.—(1) The Secretary shall ensure an equitable geographic distribution of grants awarded under this part.

"(2) The Secretary shall take into consideration equitable levels of funding for urban and rural areas in awarding grants under this part.

"(c) GRANT PERIOD.—Grants under this part may be awarded for a period not to exceed 3 years.

"(d) FUNDING LIMITATION.—Grants awarded under this part may not exceed \$250,000 in the first year of funding.

**"SEC. 599H. APPLICATION.**

"(a) IN GENERAL.—Each institution of higher education desiring a grant under this part shall submit an application to the Secretary at such time, in such manner, and accompanied by such information as the Secretary may reasonably require.

"(b) CONTENTS.—Each application submitted pursuant to subsection (a) shall demonstrate that—

"(1) the applicant will establish and maintain a program of teacher training or retraining designed to offer specialized preparation for individuals teaching grades 6 through 9;

"(2) the applicant has designed a program of teacher training or retraining which includes—

"(A) a study of adolescent development (including cognitive, social, and emotional) with particular emphasis on early adolescent development;

"(B) a study of the influence of institutions such as schools, families, and peer groups in the socialization of adolescents;

"(C) information concerning the organization of schools for students in grades 6 through 9, with particular emphasis on developmentally appropriate school and classroom organization and practices;

"(D) training in at least 2 subject areas and related instructional strategies;

"(E) direct experience through internships in middle grade schools under the guidance of teachers who demonstrate exemplary classroom practices;

"(F) strategies for the prevention and detection of high risk behavior, particularly drug and alcohol abuse, and for the enhancement of self esteem among adolescents;

"(G) a study of effective methods and models of presenting substance abuse information and education to adolescent students; and

"(H) methods of encouraging parental and community involvement with middle schools; and

"(3) the program will be designed and operated with the active participation of classroom



teachers and will include an in-service training component.

**"SEC. 599I. REPORTS AND INFORMATION DISSEMINATION.**

"Each institution of higher education receiving a grant under this part shall submit to the Secretary such reports and other information regarding programs conducted under this part as the Secretary deems necessary. The Secretary shall disseminate such information to other institutions of higher education, State educational agencies, and local educational agencies.

**"SEC. 599J. AUTHORIZATION OF APPROPRIATIONS.**

"There are authorized to be appropriated \$5,000,000 for fiscal year 1993 and such sums as may be necessary for each of the 6 succeeding fiscal years to carry out the provisions of this part.

**"PART J—NATIONAL MIGRANT EDUCATION MINI-CORPS PROGRAM**

**"SEC. 599K. DEMONSTRATION PROGRAM ESTABLISHED.**

"The Secretary is authorized to conduct a program to—

"(1) provide migrant students who are enrolled, or plan to enroll, in an institution of higher education, with advisement, training, and instructional services, to enable such students to be role models for migrant children, and to provide a link with the migrant community;

"(2) provide outreach and recruitment services to encourage migrant students who are enrolled in a teacher training program to be role models for migrant children;

"(3) provide support and instructional services to migrant students who are enrolled in an institution of higher education, to enable such students to provide direct instructional services to migrant children participating in programs under section 1201 of the Elementary and Secondary Education Act of 1965 during the regular or summer terms, including such services as—

"(A) lessons and provision of materials that are designated to meet the academic needs of migrant children in the classroom;

"(B) supplemental instruction to reinforce the basic skills and concepts provided by the teacher; and

"(C) instruction in other areas, including environmental or health education;

"(4) designate college coordinators at participating institutions to train, supervise and assign migrant students in cooperation with the operating State agency in which migrant children with special needs have been identified;

"(5) provide academic assistance, home visits, parental involvement, parent-student advisement services, and family advocacy;

"(6) provide that the instructional services for migrant children are to be coordinated with the overall education goals of the operating State educational agency; and

"(7) provide that migrant students who participate in the program assisted under this subpart for at least 10 but not more than 15 hours per week receive a stipend for such participation.

**"SEC. 599L. EVALUATION.**

"The Secretary shall, by January 1, 1996, evaluate the demonstration program assisted under this part and report the results of such evaluation to the appropriate committees of the Congress.

**"SEC. 599M. AUTHORIZATION OF APPROPRIATIONS.**

"There are authorized to be appropriated \$5,000,000 for fiscal year 1993 and such sums as may be necessary for each of the 6 succeeding fiscal years to carry out this part.

**"PART K—FOREIGN LANGUAGE INSTRUCTION**

**"Subpart 1—Demonstration Grants for Critical Language and Area Studies**

**"SEC. 599N. DEMONSTRATION GRANTS FOR CRITICAL LANGUAGE AND AREA STUDIES.**

"(a) PROGRAM AUTHORITY.—The Secretary is authorized to make demonstration grants to eligible consortia to enable such eligible consortia to—

"(1) operate critical language and area studies programs;

"(2) develop and acquire educational equipment and materials; and

"(3) develop teacher training programs, texts, curriculum, and other activities designed to improve and expand the instruction of foreign languages at elementary and secondary schools across the Nation.

"(b) GRANT LIMITATION.—The Secretary shall not award a grant which exceeds \$2,000,000 to an eligible consortium under this section in any fiscal year, but shall award grants of sufficient size, scope and quality for a program of comprehensive instruction of foreign languages.

"(c) SPECIAL RULES.—

"(1) PRIORITY.—In awarding grants under this section, the Secretary shall give priority to eligible consortia with demonstrated, proven effectiveness in the field of critical language and area studies and which have been in existence for 1 year prior to applying for a grant under this section.

"(2) EQUITABLE DISTRIBUTION.—In awarding grants under this section, the Secretary shall take into consideration providing an equitable geographic distribution of such grants among the regions of the United States.

"(3) PROGRAM REQUIREMENT.—Each eligible consortium receiving a grant under this section shall include in the activities assisted pursuant to such grant, a study abroad or cultural exchange program.

"(d) ELIGIBLE CONSORTIUM.—

"(1) IN GENERAL.—For the purposes of this section, the term 'eligible consortium' means a cooperative effort between entities in one or more States that must include at least 4 schools, of which—

"(A) one shall be an institution of higher education;

"(B) one shall be a secondary school with experience in teaching critical languages;

"(C) one shall be a secondary school with experience in teaching critical languages and in which at least 25 percent of the students are eligible to be counted under chapter 1 of title I of the Elementary and Secondary Education Act of 1965; and

"(D) one shall be a secondary school in which at least 25 percent of the students are eligible to be counted under chapter 1 of title I of the Elementary and Secondary Education Act of 1965.

"(2) NONPROFIT ORGANIZATIONS.—Each eligible consortium described in paragraph (1) may include a nonprofit organization to provide services not otherwise available from the entities described in paragraph (1).

"(e) ADMINISTRATION.—Each eligible consortium receiving a grant under this section may use not more than 10 percent of such grant for administrative expenses.

"(f) APPLICATION.—

"(1) IN GENERAL.—Except as provided in paragraph (2), each eligible consortium desiring a grant under this section shall submit an application to the Secretary at such time, in such manner and accompanied by such information as the Secretary may reasonably require.

"(2) SPECIAL RULE.—The State educational agency or State higher education agency responsible for the supervision of any one school participating in an eligible consortium may submit the application described in paragraph (1) on behalf of such eligible consortium.

"(g) DEFINITIONS.—For purposes of this section the term 'critical language' means each of the languages contained in the list of critical foreign languages designated by the Secretary pursuant to section 212(d) of the Education for Economic Security Act (50 Federal Register 149, 31413).

**"Subpart 2—Development of Foreign Language and Culture Instructional Materials**

**"SEC. 599P. DEVELOPMENT OF FOREIGN LANGUAGE AND CULTURE INSTRUCTIONAL MATERIALS.**

"(a) GRANTS AUTHORIZED.—The Secretary of Education is authorized to provide grants on a competitive basis to qualified State and local educational agencies, institutions of higher education, private nonprofit foreign language organizations, nonprofit education associations, or a consortium thereof, to enable such entity or entities to act as a resource center for—

"(1) coordinating the development of and disseminating foreign language and culture instructional material, including children's literature in foreign languages, videotapes, and computer software, and teacher's instructional kits relating to international study; and

"(2) encouraging the expanded use of technology in teaching foreign languages and culture at the elementary school level and, when the needs of elementary schools have been met, at the secondary school level, with a particular emphasis on expanding the use of technology in teaching foreign languages and culture at elementary and secondary schools that have proportionally fewer resources available for teaching foreign languages and cultures, including urban and rural areas.

"(b) COORDINATION.—In developing materials and technologies under this section, the Secretary shall, where appropriate, make use of materials and technologies developed under the Star Schools Assistance Program Act.

**"Subpart 3—Authorization of Appropriations**

**"SEC. 599Q. AUTHORIZATION OF APPROPRIATIONS.**

"(a) CRITICAL LANGUAGE AND AREA STUDIES.—There are authorized to be appropriated \$15,000,000 for fiscal year 1993 and such sums as may be necessary for each of the 6 succeeding fiscal years to carry out the provisions of subpart 1.

"(b) FOREIGN LANGUAGE AND CULTURE INSTRUCTIONAL MATERIALS.—There are authorized to be appropriated \$4,000,000 for fiscal year 1993 and such sums as may be necessary for each of the 6 succeeding fiscal years to carry out the provisions of subpart 2.

**"PART L—EARLY CHILDHOOD TEACHER STAFF AND PROFESSIONAL ENHANCEMENT**

**"SEC. 599R. SHORT TITLE.**

"This part may be cited as the 'Early Childhood Staff Training and Professional Enhancement Grants Act'.

**"SEC. 599S. FINDINGS.**

"The Congress finds that—

"(1) 10,000,000 preschool children spend all or part of the day in out-of-home care;

"(2) specialized preparation of individuals who care for young children is a predictor of the ability to provide high quality experiences for such children;

"(3) due to projected increases of children in out-of-home care in the future, it is necessary to expand and improve the training and career growth of individuals who care for and educate young children;

"(4) the present delivery system of child care education and training is disjointed;

"(5) funding for such training is fragmented, sporadic, and distinguishes in-service training from degree or certificate programs; and

"(6) in order to expand and enhance the career development of individuals who care and

educate young children, such individuals must have training options that promote career growth.

**"SEC. 599T. PURPOSE.**

"It is the purpose of this part to—

"(1) promote the national education goal that all children in America start school ready to learn, by ensuring the existence of sufficient numbers of well-trained early childhood development and care staff;

"(2) provide professional preparation and continued career training for early childhood development and care staff who work with children from birth through preschool, with an emphasis on infants and toddlers and children with special needs; and

"(3) create and implement effective, coordinated models of early childhood professional preparation and in-service training so that such preparation and training corresponds with a career ladder, based on a progression of staff roles, in the field of early childhood development and care.

**"SEC. 599U. GRANTS AUTHORIZED.**

"(a) IN GENERAL.—The Secretary is authorized to award grants to States in accordance with the provisions of this part to enable such States to pay the costs of the activities described in the plan submitted pursuant to section 599X.

"(b) COMPETITIVE BASIS.—Grants under this part shall be awarded on a competitive basis.

"(c) DURATION.—Grants under this part shall be awarded for a period of 5 years.

**"SEC. 599V. LEAD AGENCY.**

"(a) DESIGNATION.—The chief executive officer of a State, in consultation with the State educational agency, desiring to receive a grant under this part shall designate an appropriate State agency, to act as the lead agency.

"(b) DUTIES.—The lead agency shall—

"(1) administer, directly or through other State agencies, the financial assistance received under this part by the State;

"(2) choose the members of the Advisory Committee that will develop the State plan to be submitted to the Secretary under section 599X;

"(3) in conjunction with the development of the State plan as required under paragraph (2), hold at least one hearing in the State to provide to the public an opportunity to comment on the provision of training and professional development described in the State plan; and

"(4) coordinate the provision of services under this part with other appropriate Federal, State and local programs.

**"SEC. 599W. ADVISORY COMMITTEE.**

"(a) ADVISORY COMMITTEE.—

"(1) IN GENERAL.—In order to receive a grant under this part a State shall establish, through the lead agency described in section 599V, an Advisory Committee to develop the State plan described in section 599X.

"(2) APPOINTMENT.—In order to receive a grant under this part the lead agency shall appoint the members of the Advisory Committee in accordance with subsection (b).

"(b) COMPOSITION.—To the extent such entities exist within a State, each Advisory Committee established pursuant to subsection (a) shall consist of a representative of the following agencies, institutions, organizations, divisions, programs or departments of the State:

"(1) The lead State agency responsible for administering funds received under the Child Care Development and Block Grant Act.

"(2) Institutions of higher education, including community colleges and 2-year colleges.

"(3) An organization representing child care providers, including center-based care and family day care.

"(4) An early childhood division of a State educational agency, and the State early childhood teacher certification agency, if such entities are different.

"(5) A child care licensing or regulating agency.

"(6) A local child care resource and referral agency.

"(7) A State Head Start association.

"(8) An organization with significant experience in training in the fields of early childhood development, early care and early education.

"(9) An organization representing parents of young children.

"(10) A State-funded preschool program.

"(11) A State employment and job training agency.

"(12) A State department of community development.

**"SEC. 599X. STATE PLAN.**

"(a) IN GENERAL.—Each State desiring a grant under this part shall submit, through the lead agency, a plan to the Secretary at such time, in such manner and accompanied by such information as the Secretary may reasonably require. The Secretary shall consult with the Secretary of Health and Human Services regarding the contents of such plan.

"(b) CONTENTS.—Each plan submitted pursuant to subsection (a) shall—

"(1) identify the lead agency as described in section 599V;

"(2) assess the training offerings and content of such offerings, amount of training required for an early childhood development staff license or certificate, compensation, recruitment and turnover of staff, and any coordination of training offerings and professional growth of early childhood development staff in the State;

"(3) describe the goals of the activities assisted under this part; and

"(4) describe how the State shall—

"(A) identify and maintain a career development path, based on a progression of roles for early childhood development staff, with each role articulated with training and different levels of responsibility and compensation, in such manner as will permit an individual to qualify for a more responsible role;

"(B) identify the core content for each staff role and assure that workshops, courses, seminars, and appropriate certificate and degree programs are available for each such staff role and career advancement;

"(C) ensure that trainers of early childhood development staff in the State are qualified;

"(D) describe the ways in which the State will coordinate training programs among institutions of higher education, including transfer of credits, and assure that in-service training offered in the State carries course credit accepted by an institution of higher education, community college or 2-year college in the State toward a certificate or degree program;

"(E) set forth the ways in which the State will pay the costs of any assessment, credentialing, certification, licensing, training offering, training inventory, increase in staff participation in training, or other services assisted by a grant under this part;

"(F) describe the ways in which the State plans to coordinate the various State and local agencies and organizations to maximize coordination of standards and requirements for certifications, licenses, and accreditations, including Head Start agencies, the State agency responsible for administering funds under the Child Development Associate Scholarship Act of 1985, the State agency responsible for administering funds received under the Child Care Development and Block Grant Act, and the State agency responsible for early childhood education and preschool programs;

"(G) describe the ways in which the State will compile and disseminate information on—

"(i) training offerings;

"(ii) requirements for admission into courses and programs;

"(iii) requirements for a license, certificate, credential, or degree to which such offerings may be applied;

"(iv) funding sources available for such activities; and

"(v) the cost of training offerings; and

"(H) describe the ways in which the State will use the funds received under this part and any other funds available to the State to carry out the activities described in the State plan.

**"SEC. 599Y. EVALUATION AND REPORT.**

"(a) EVALUATION.—The Secretary, through grants, contracts or cooperative agreements, shall provide for continuing evaluation of activities assisted under this part to determine the effectiveness of such activities in achieving stated goals, and the impact of such activities on developing and coordinating training options and in developing and implementing a career ladder articulated with training.

"(b) LOCAL EVALUATION.—Each State receiving a grant under this part shall evaluate the activities assisted under this part to determine the effectiveness of such activities in achieving State goals, the impact of such activities on the establishment of a career ladder for early childhood development, the impact of such activities on families served if feasible, and the impact of such activities on licensing or regulating requirements for individuals in the field of early childhood development. An interim evaluation shall be submitted to the Secretary not later than January 1, 1995, and a final report shall not be submitted later than January 1, 1997.

"(c) INFORMATION.—Each State receiving a grant under this part shall prepare and submit to the Secretary such information as the Secretary shall request in order to carry out the evaluation described in subsection (a).

"(d) REPORT.—No later than September 1997, the Secretary, in consultation with the Secretary of Health and Human Services, shall prepare and submit to the appropriate committees of Congress, each State agency responsible for administering funds received under the Child Care Development Block Grant Act, and each State educational agency, a report assessing the evaluations conducted pursuant to subsections (a) and (b), including an examination of the strengths and weaknesses of the design and operation of the activities assisted under this part and the effectiveness of such activities in achieving stated goals.

**"SEC. 599Z. AUTHORIZATION.**

"There are authorized to be appropriated \$10,000,000 for fiscal year 1993 and such sums as may be necessary for each of the 6 succeeding fiscal years."

(b) EXPIRATION DATE.—Effective July 1, 1995, the Alternative Routes to Teacher and Principal Certification and Licensure Act of 1991 (as contained in part H of title V of the Higher Education Act of 1965) is repealed.

**TITLE VI—INTERNATIONAL EDUCATION PROGRAMS**

**SEC. 601. PURPOSE.**

Subsection (b) of section 601 of the Act (20 U.S.C. 1121(b)) is amended by inserting "to develop a pool of international experts to meet national needs" after "fluency".

**SEC. 602. GRADUATE AND UNDERGRADUATE LANGUAGE AND AREA STUDIES.**

Section 602 of the Act (20 U.S.C. 1122) is amended—

(1) in subsection (a)—

(A) in subparagraph (B) of paragraph (1), by inserting "a diverse network of" after "operating";

(B) in paragraph (2), by inserting "the cost of establishing and maintaining linkages with overseas institutions of higher education and other organizations that may contribute to the educational objectives of this section for the



purpose of contributing to the teaching and research of the center or program" after "conduct research,"; and

(C) by inserting at the end thereof the following new paragraph:

"(4) The Secretary may make additional grants to centers described in paragraph (1)(A) for—

"(A) programs of linkage or outreach between foreign language, area studies, and other international fields and professional schools and colleges;

"(B) programs of linkage or outreach with two- and four-year colleges and universities;

"(C) programs of linkage or outreach with departments or agencies of State and Federal governments;

"(D) programs of linkage or outreach with the news media, business, professional, or trade associations; and

"(E) summer institutes in foreign area and other international fields designed to carry out the programs of linkage and outreach described in subparagraphs (A), (B), (C) and (D) of this paragraph."; and

(2) in subsection (b)—

(A) in paragraph (1), by amending subparagraph (B) to read as follows:

"(B) Students receiving stipends described in subparagraph (A) shall be individuals who are engaged in an instructional program with stated performance goals for functional foreign language use or in a program developing such performance goals, in combination with area studies, international studies, or the international aspects of a professional studies program."; and

(B) by amending paragraph (2) to read as follows:

"(2)(A) The Secretary is authorized to make grants to institutions of higher education or combinations of such institutions to enable such institutions or combinations of such institutions to pay stipends to students beginning with such students' third year of graduate training in any center or program approved by the Secretary under this part.

"(B) Students receiving stipends described in subparagraph (A) shall be individuals engaged in completing advanced degree requirements in foreign language, foreign area studies, or other international fields.

"(C) Stipends described in subparagraph (A) shall be used to complete degree requirements, such as predissertation level studies, preparation for dissertation research (including the study of less commonly taught languages), dissertation research abroad, and dissertation writing.

"(D) Students may receive stipends described in subparagraph (A) for a maximum of 4 years if such students make satisfactory progress towards completion of a degree program."

#### SEC. 603. LANGUAGE RESOURCE CENTERS.

Subsection (a) of section 603 of the Act (20 U.S.C. 1123(a)) is amended—

(1) in the matter preceding paragraph (1), by striking "operating language training centers" and inserting "operating a small number of national language resource and training centers";

(2) in paragraph (3), by striking "proficiency testing" and inserting "performance testing"; and

(3) in paragraph (4), by striking "proficiency tests" and inserting "performance tests."

#### SEC. 604. UNDERGRADUATE INTERNATIONAL STUDIES AND FOREIGN LANGUAGE PROGRAMS.

Section 604 of the Act (20 U.S.C. 1124) is amended—

(1) in subsection (a)—

(A) in the matter preceding paragraph (1)—

(i) by striking "strengthen and";

(ii) by inserting immediately after the first sentence the following new sentence: "Such

grants shall be awarded to institutions of higher education or combinations of such institutions seeking to create programs or curricula in area studies, foreign languages, and other international fields."; and

(iii) by striking "may be for projects" and inserting "may be used to pay not more than 50 percent of the costs of projects"; and

(B) by amending paragraph (6) to read as follows:

"(6) international education programs designed to develop or enhance linkages between two- and four-year institutions of higher education, or baccalaureate and postbaccalaureate programs or institutions; and";

(2) by amending subsection (b) to read as follows:

"(b) GRANTS AUTHORIZED.—

"(1) IN GENERAL.—The Secretary is authorized to make grants to institutions of higher education or combinations of such institutions to enable such institutions or combinations of such institutions to—

"(A) strengthen programs of demonstrated excellence in area studies, foreign languages, and other international fields in order to ensure the self-sustaining maintenance and growth of such programs; and

"(B) enhance the capacity-building and dissemination functions of such programs.

"(2) USE OF GRANT FUNDS.—Grants awarded under this subsection may be used to pay not more than 50 percent of the cost of projects and activities which are an integral part of the programs described in paragraph (1), such as—

"(A) teaching, research, curriculum development, and other related activities;

"(B) strengthening undergraduate majors and minors directly related to the generation of international expertise;

"(C) developing new foreign language courses, especially in languages previously not taught at such institution or combination of such institutions, and improving the quality of existing foreign language programs;

"(D) expanding library and teaching resources;

"(E) establishing linkages overseas with institutions of higher education and organizations that contribute to the educational objectives of this subsection;

"(F) developing programs designed to integrate professional and technical education with area studies, foreign languages, and other international fields;

"(G) disseminating curricula materials and program designs to other educational institutions;

"(H) integrating on-campus undergraduate curriculum with study abroad and exchange programs;

"(I) training faculty and staff in area studies, foreign languages, and other international fields; and

"(J) conducting summer institutes in foreign area and other international fields to provide faculty and curriculum development, including the integration of professional and technical education with foreign area and other international studies, and to provide foreign area and other international knowledge or skills to government personnel or private sector professionals in international activities.

"(3) ADDITIONAL GRANTS.—

"(A) IN GENERAL.—The Secretary is authorized to make grants to institutions of higher education, combinations of such institutions, or nonprofit educational organizations in partnership with such institutions to expand and strengthen overseas educational opportunities for United States students.

"(B) USES.—The grants made under subparagraph (A) may be used to pay not more than 50 percent of the cost of—

"(i) developing study or internship abroad programs in locations in which such opportunities are not otherwise available or study or internship programs which serve students for which such opportunities are not otherwise available; and

"(ii) developing model programs to enrich or enhance the effectiveness of study abroad programs, including predeparture and post return orientation programs, integration of study abroad into the curriculum of the home institution, credit transfer, improved faculty involvement, cross-disciplinary programs, student selection and advising services, and academic advising.

"(4) CRITERIA.—The Secretary may establish criteria for evaluating programs assisted under this subsection and may require an annual report which evaluates the progress and performance of students in such program as a condition for the award of any grant under this subsection."; and

(3) by adding at the end thereof the following new subsection:

"(d) NON-FEDERAL SHARE.—The non-Federal share of the costs of programs assisted under this section may be provided in cash or with in-kind assistance. Such assistance may be composed of institutional and noninstitutional funds, including State and private contributions."

#### SEC. 605. RESEARCH; STUDIES; ANNUAL REPORT.

Section 606 of the Act (20 U.S.C. 1125) is amended—

(1) in subsection (a), by striking paragraphs (1), (2), (3) and (4) and inserting the following: "(1) studies and surveys to determine needs for increased or improved instruction in foreign language, area studies, or other international fields, including the demand for foreign language, area and other international specialists in government, education, and the private sector;

"(2) studies and surveys to assess the utilization of graduates of programs supported under this title by governmental, educational, and private sector organizations and other studies assessing the outcomes and effectiveness of programs so supported;

"(3) comparative studies of the effectiveness of strategies to provide international capabilities at institutions of higher education;

"(4) research on more effective methods of providing instruction and achieving competency in foreign languages;

"(5) the development and publication of specialized materials for use in foreign language, area studies, and other international fields, or for training foreign language, area, and other international specialists; and

"(6) the application of performance tests and standards across all areas of foreign language instruction and classroom use."; and

(2) in subsection (b), by striking "and publish" and inserting "publish and announce".

#### SEC. 606. PERIODICALS AND OTHER RESEARCH MATERIALS PUBLISHED OUTSIDE THE UNITED STATES.

(a) AMENDMENT TO HEADING.—The heading for section 607 of the Act is amended by inserting "AND OTHER RESEARCH MATERIALS" after "PERIODICALS".

(b) AMENDMENT TO TEXT.—The text of section 607 of the Act (20 U.S.C. 1125a) is amended—

(1) in subsection (a), by striking "In addition" and all that follows through "provide assistance" and inserting "The Secretary is authorized to make grants";

(2) in subsection (b)—

(A) by striking "subsection (a)" and inserting "section 610A";

(B) by amending paragraph (2) to read as follows:

"(2) to maintain in machine-readable form current bibliographic information on periodicals

and other research materials thus acquired, and to enter such information into one or more of the widely available bibliographic data bases;" and

(C) by amending paragraph (4) to read as follows:

"(4) to make such periodicals and other research materials widely available to researchers and scholars;" and

(3) by inserting "and other research materials" after "periodicals" each place such term appears.

#### SEC. 607. EQUITABLE DISTRIBUTION OF FUNDS.

Subsection (a) of section 609 of the Act (20 U.S.C. 1126) is amended—

(1) by inserting "(1)" before "The"; and  
(2) by adding at the end thereof the following new paragraph:

"(2) The Secretary shall award grants under this part in such manner as to ensure that an appropriate portion of funds under this part as determined by the Secretary are used to support undergraduate education."

#### SEC. 608. AMERICAN OVERSEAS RESEARCH CENTERS.

Part A of title VI of the Act (20 U.S.C. 1121 et seq.) is amended—

(1) by redesignating section 610 as section 610A; and

(2) by inserting after section 609 the following new section:

#### "SEC. 610. AMERICAN OVERSEAS RESEARCH CENTERS.

"(a) CENTERS AUTHORIZED.—The Secretary is authorized to make grants to and enter into contracts with any American Overseas Research Center (which is a consortium of institutions of higher education) (hereafter in this section referred to as a 'Center') to enable a Center to promote postgraduate research, exchanges and area studies.

"(b) USE OF GRANTS.—Grants and contracts made pursuant to this section may be used to pay all or a portion of the cost of establishing or operating a Center or program, including the cost of faculty and staff stipends and salaries, faculty, staff and student travel, the operation and maintenance of overseas facilities, the cost of teaching and research materials, the cost of acquisition, maintenance and preservation of library collections, the cost of bringing visiting scholars and faculty to a Center to teach or to conduct research, the cost of organizing and managing conferences and the cost of publication and dissemination of material for the scholarly and general public.

"(c) LIMITATION.—Grants and contracts awarded pursuant to this section shall be awarded only to Centers which are fully accredited members of the Council of American Overseas Research Centers, Smithsonian Institution."

#### SEC. 609. AUTHORIZATION OF APPROPRIATIONS FOR PART A.

Section 610A of the Act (as redesignated in section 608(1)) is amended—

(1) by striking "\$49,000,000" and inserting "\$60,000,000";

(2) by striking "1987" and inserting "1993"; and

(3) by striking "4 succeeding" and inserting "6 succeeding".

#### SEC. 610. CENTERS FOR INTERNATIONAL BUSINESS EDUCATION.

Subsection (c) of section 612 of the Act (20 U.S.C. 1130-1(c)) is amended—

(1) in subparagraph (C) of paragraph (1), by striking "including but not limited to," and inserting "such as"; and

(2) in paragraph (2)—  
(A) by striking "and" at the end of subparagraph (A);

(B) by striking the period at the end of subparagraph (B) and inserting a semicolon; and

(C) by adding at the end thereof the following new subparagraphs:

"(C) the establishment of linkages overseas with institutions of higher education and other organizations that contribute to the educational objectives of this section; and

"(D) summer institutes in international business, foreign area and other international studies designed to carry out the purposes of paragraph (1) of this subsection."

#### SEC. 611. EDUCATION AND TRAINING PROGRAMS.

Subsection (b) of section 613 of the Act (20 U.S.C. 1130a(b)) is amended—

(1) by striking "and" at the end of paragraph (9);

(2) by striking the period at the end of paragraph (10) and inserting a semicolon; and

(3) by adding at the end the following new paragraphs:

"(11) the establishment of linkages overseas with institutions of higher education and organizations that contribute to the educational objectives of this section; and

"(12) summer institutes in international business, foreign area and other international studies designed to carry out the purposes of this section."

#### SEC. 612. AUTHORIZATION OF APPROPRIATIONS FOR PART B.

Section 614 of the Act (20 U.S.C. 1130b) is amended—

(1) in subsection (a)—  
(A) by striking "\$7,500,000" and inserting "\$10,000,000";

(B) by striking "1988" and inserting "1993"; and

(C) by striking "4 succeeding" and inserting "6 succeeding"; and

(2) in subsection (b)—  
(A) by striking "\$5,000,000" and inserting "\$6,000,000";

(B) by striking "1987" and inserting "1993"; and

(C) by striking "4 succeeding" and inserting "6 succeeding".

#### SEC. 613. MINORITY FOREIGN SERVICE PROFESSIONAL DEVELOPMENT PROGRAM.

Title VI of the Act (20 U.S.C. 1121 et seq.) is amended—

(1) by redesignating part C as part E;

(2) by redesignating section 622 as section 641; and

(3) by inserting after section 614 the following new parts:

#### "PART C—MINORITY FOREIGN SERVICE PROFESSIONAL DEVELOPMENT PROGRAM

#### "SEC. 621. MINORITY FOREIGN SERVICE PROFESSIONAL DEVELOPMENT PROGRAM.

"(a) PROGRAM AUTHORIZED.—

"(1) GRANTS.—The Secretary is authorized to award grants to institutions of higher education, or consortia thereof, with a significant minority student enrollment and a demonstrated commitment to preparing students from underrepresented populations in the foreign service of the United States for entrance into such foreign service, to enable such institutions or consortia to carry out the activities described in section 622.

"(2) COMPETITIVE BASIS.—Grants made pursuant to paragraph (1) shall be awarded on a competitive basis.

"(3) DURATION.—Grants made pursuant to paragraph (1) shall be awarded for a period not to exceed 5 years.

#### "SEC. 622. AUTHORIZED ACTIVITIES.

"(a) IN GENERAL.—An institution of higher education or consortium thereof shall use grant funds received under this part for activities that prepare students from underrepresented populations in the foreign service of the United States for entrance into such service. Such activities shall include—

"(1) junior year abroad study;

"(2) fellowships for graduate study;

"(3) internships;

"(4) intensive academic programs such as summer institutes; or

"(5) intensive language training.

#### "SEC. 623. APPLICATION.

"Each institution of higher education or consortium thereof desiring a grant under this part shall submit an application at such time, in such manner, and accompanied by such information as the Secretary may reasonably require.

#### "SEC. 624. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated \$5,000,000 for fiscal year 1993 and such sums as may be necessary for each of the 6 succeeding fiscal years to carry out this part.

#### "PART D—FULBRIGHT-HAYS EDUCATIONAL AND CULTURAL EXCHANGES

#### "SEC. 631. FULBRIGHT-HAYS EDUCATIONAL AND CULTURAL EXCHANGES.

"(a) PROGRAM AUTHORIZED.—The President is authorized to provide for promoting modern foreign language training and area studies in United States schools, colleges, and universities by supporting visits and study in foreign countries by teachers and prospective teachers or other persons who have demonstrable need for an international dimension in their education in such schools, colleges, and universities for the purpose of improving their skill in languages and their knowledge of the culture of the people of those countries, and by financing visits by teachers from those countries to the United States for the purpose of participating in foreign language training and area studies in United States schools, colleges, and universities, and promoting advanced research, exchanges, and area studies overseas by consortia of institutions of higher education.

"(b) COORDINATION.—The activities carried out under this part shall be coordinated with the jurisdiction and activities of the J. William Fulbright Foreign Scholarship Board, the Fulbright Commissions, the United States embassies, and any other foreign educational or cultural exchange activities carried out under the Mutual Educational and Cultural Exchange Act.

"(c) TRANSFER.—Any personnel, liabilities, contracts, real property, personal property, assets, and records, employed, held, or used primarily in connection with a function carried out pursuant to section 102(b)(6) of the Mutual Educational and Cultural Exchange Act not located at the Department of Education on the date of enactment of the Higher Education Act Amendments of 1991, shall be transferred to the Secretary. Any personnel so transferred shall be transferred without reduction in classification or compensation for one year after the transfer.

"(d) SPECIAL RULE.—All laws and regulations relating to section 102(b)(6) of the Mutual Educational and Cultural Exchange Act, insofar as such laws and regulations are appropriate and not inconsistent with the provisions of this part, remain in full force and effect and apply with respect to this part. All references in any other Federal law to section 102(b)(6) of the Mutual Educational and Cultural Exchange Act shall be deemed to refer to this part.

"(e) FUNDING.—Any funds appropriated to carry out section 102(b)(6) of the Mutual Educational and Cultural Exchange Act for fiscal year 1991 that are not expended or obligated on the date of enactment of the Higher Education Act Amendments of 1991 shall be paid to the Secretary within 10 days of such date. The Secretary shall be responsible for all obligations incurred under such section after such date."

#### SEC. 614. DEFINITIONS.

Section 641 of the Act (as redesignated in section 613(2)) is amended by adding at the end the following new subsection:



"(c) All references to institutions of higher education, unless the context otherwise requires, mean institutions of higher education which are licensed and accredited in the United States, and shall include United States institutions of higher education operating abroad that are licensed and accredited in the United States and which directly contribute to the international education of United States students and faculty in the areas of foreign language or area studies."

#### **TITLE VII—CONSTRUCTION, RECONSTRUCTION, AND RENOVATION OF ACADEMIC FACILITIES**

##### **SEC. 701. REPEALERS AND REDESIGNATIONS.**

(a) **IN GENERAL.**—Title VII of the Act (20 U.S.C. 1132a et seq.) is amended—

(1) by repealing parts A, B, C, D, G, and J;

(2) by repealing section 781;

(3) by redesignating parts E, F, and H, as parts B, C, and D, respectively;

(4) by redesignating sections 751, 752, 753, 754, 755, 756, 757, 758, 759, and 760, as sections 721, 722, 723, 724, 725, 726, 727, 728, 729, and 730, respectively;

(5) by redesignating sections 761, 762, 763, and 764, as sections 731, 732, 733, and 735, respectively;

(6) by redesignating sections 782 and 783 as sections 741, and 742, respectively.

(b) **CONFORMING AMENDMENTS.**—

(1) **STOCK.**—Section 728 of the Act (as redesignated in subsection (a)(4)) is amended—

(A) in subsection (c), by striking "754" and inserting "724"; and

(B) in subsection (e)—

(i) by striking "755" and inserting "725"; and

(ii) by striking "756" and inserting "726";

(2) **DEFINITIONS.**—(A) Subsection (b) of section 730 of the Act (as redesignated in subsection (a)(4)) is amended by striking "752" and inserting "722".

(B) Section 735 of the Act (as redesignated in subsection (a)(5)) is amended—

(i) in subparagraph (B) of subsection (b)(3), by striking "761" and inserting "731"; and

(ii) in the matter following paragraph (5) of subsection (b), by striking "761" and inserting "731".

(C) Clause (ii) of section 741(6)(B) of the Act (as redesignated in subsection (a)(6)) is amended by inserting "(as such part C was in effect prior to the date of enactment of the Higher Education Amendments of 1991)" after "part C".

(3) **SALE OF OBLIGATIONS.**—Section 742 of the Act (as redesignated in subsection (a)(6)) is amended by striking "parts C and F" and inserting "part C".

(4) **AMENDMENT TO HEADING.**—The heading for part C (as redesignated in subsection (a)(3)) is amended to read as follows:

**"PART C—LOANS FOR CONSTRUCTION, RECONSTRUCTION, AND RENOVATION OF ACADEMIC, HOUSING, AND OTHER EDUCATIONAL FACILITIES"**

##### **SEC. 702. PRIOR RIGHTS AND OBLIGATIONS.**

Section 702 of the Act (20 U.S.C. 1132a-1) is amended to read as follows:

##### **"SEC. 702. PRIOR RIGHTS AND OBLIGATIONS.**

**"(a) AUTHORIZATION OF APPROPRIATIONS.**—There are authorized to be appropriated such sums as may be necessary for fiscal year 1993 and for each of the 6 succeeding fiscal years to pay obligations incurred prior to 1987 under parts C and D of this title, as such parts were in effect before the effective date of the Higher Education Act Amendments of 1991.

**"(b) LEGAL RESPONSIBILITIES.**—All entities with continuing obligations incurred under parts A, B, C, and D of this title, as such parts were in effect before the effective date of the Higher Education Act Amendments of 1991, shall be subject to the requirements of such part as in

effect before the effective date of the Higher Education Act Amendments of 1991."

##### **SEC. 703. IMPROVEMENT OF ACADEMIC AND LIBRARY FACILITIES.**

Title VII of the Act is amended by inserting after section 702 the following new part:

##### **"PART A—IMPROVEMENT OF ACADEMIC AND LIBRARY FACILITIES**

##### **"SEC. 711. SHORT TITLE.**

"This part may be cited as the 'Higher Education Facilities Act of 1991'."

##### **"SEC. 712. FINDINGS.**

"The Congress finds that—

"(1) over the past 50 years institutions of higher education have expanded dramatically, while at the same time traditional sources of funding facilities maintenance and repair have declined and even disappeared in some instances;

"(2) in order to meet the rising cost of educating students, resulting mainly from inflation and the higher costs of research, many colleges and universities made the choice to defer renovations and improvements;

"(3) overall, the need for capital investment by institutions of higher education has been estimated to exceed \$60,000,000,000;

"(4) the deterioration of facilities has caused valuable research experiments and programs to be postponed, delayed or canceled; and

"(5) the United States' competitive position within the world economy is vulnerable if the necessary research facilities are not available to provide advanced training in the fields of science and technology.

##### **"SEC. 713. ALLOTMENT.**

"(a) **IN GENERAL.**—From the amount appropriated pursuant to the authority of section 717 the Secretary shall allot to each State higher education agency with an approved application—

"(1) 50 percent of such funds on the basis of the population of the State compared to the population of all States; and

"(2) 50 percent of such funds on the basis of the number of students attending institutions of higher education within the State compared to the number of students attending institutions of higher education in all States.

"(b) **STATE MATCHING REQUIREMENT.**—

"(1) **IN GENERAL.**—In order to receive an allotment under subsection (a) each State higher education agency shall match, on a dollar for dollar basis, the amount of any allotment received pursuant to such subsection. Such matching funds may be provided by the State higher education agency or an eligible institution.

"(2) **CASH REQUIREMENT.**—Each State higher education agency receiving funds under this part shall only provide matching funds pursuant to paragraph (1) in cash.

"(c) **REALLOTMENT.**—Except as provided in subsection (d), any amount that the Secretary determines will not be available to a State higher education agency because such agency fails to comply with the provisions of this part or elects not to participate in the program assisted under this part shall be reallocated to other States in the same manner as the original allotments were made.

"(d) **SPECIAL RULE.**—

"(1) **IN GENERAL.**—If the Secretary determines that any eligible institution within a State receives a direct, noncompetitive award of Federal funds for facilities construction, renovation, improvement or repair, then such State shall have the amount of such funds subtracted from the amount of such State's allotment under this section. If the amount of such funds exceeds the State's allotment for any year, the amount by which such funds exceed the State's allotment for such year shall be subtracted from the

State's allotment under this section in the subsequent year, or years if necessary.

"(2) **SPECIAL REALLOTMENT.**—The amount that a State is ineligible to receive by application of paragraph (1) shall be reallocated in the same manner as the original allotments were made among all States.

##### **"SEC. 714. USE OF ALLOTMENT.**

"(a) **IN GENERAL.**—From amounts received pursuant to section 713 each State higher education agency shall award grants, on a competitive basis, to eligible institutions within the State for—

"(1) the improvement, renovation, and repair of academic facilities;

"(2) the improvement and renovation of library facilities, the improvement (including acquisition) of library books and materials, and for interlibrary cooperation and communication;

"(3) broadcast, cable, and satellite interconnection equipment for use in postsecondary educational television and radio programming, including interactive technology and communications; and

"(4) the construction of academic and library facilities if the State determines such construction necessary.

"(b) **LOCAL MATCHING REQUIREMENT.**—In order to receive a grant under subsection (a) each eligible institution shall match, on a dollar for dollar basis, the amount of any grant received pursuant to such subsection. Such matching funds may be provided by the State higher education agency or the eligible institution.

"(c) **PRIORITY.**—In awarding grants pursuant to subsection (a) each State higher education agency shall give priority to eligible institutions within the State that serve large numbers or percentages of minority or disadvantaged students.

"(d) **EQUITABLE PARTICIPATION.**—In awarding grants pursuant to subsection (a) each State higher education agency shall ensure the equitable participation of both public and private eligible institutions within the State.

"(e) **DURATION AND LIMITATION.**—

"(1) **DURATION.**—Grants awarded pursuant to subsection (a)—

"(A) shall be awarded for a period which is at least 1 year but not more than 3-years in duration; and

"(B) are renewable.

"(2) **LIMITATION.**—No eligible institution shall receive more than 1 grant under this part in any 3-year period.

"(f) **SUPPLEMENTATION.**—Grants awarded pursuant to subsection (a) shall be used to supplement and not supplant other Federal, State, and local funds available for improvement of academic and library facilities.

##### **"SEC. 715. APPLICATION.**

"(a) **STATE HIGHER EDUCATION AGENCY.**—

"(1) **APPLICATION.**—Each State higher education agency desiring an allotment pursuant to section 713 shall submit an application to the Secretary at such time, in such manner and accompanied by such information as the Secretary may reasonably require.

"(2) **CONTENTS.**—Each application described in paragraph (1) shall—

"(A) describe the activities and services for which assistance is sought;

"(B) contain assurances that the State higher education agency will comply with the matching requirement described in section 713(b);

"(C) contain a description and the amount of any direct, noncompetitive appropriation of funds for facilities construction, renovation, improvement or repair which the State provides to any eligible institution within the State; and

"(D) contain such other assurances as the Secretary determines necessary to ensure compliance with the provisions of this part.

"(b) ELIGIBLE INSTITUTION.—

"(1) APPLICATION.—Each eligible institution desiring a grant pursuant to section 714 shall submit an application to the State higher education agency at such time, in such manner and accompanied by such information as such agency may reasonably require.

"(2) CONTENTS.—Each application described in paragraph (1) shall—

"(A) describe the activities and services for which assistance is sought;

"(B) contain assurances that the eligible institution will comply with the matching requirement described in section 714(b); and

"(C) contain such other assurances as the State higher education agency determines necessary to ensure compliance with the provisions of this part.

**"SEC. 716. DEFINITIONS.**

"For the purpose of this part the term 'eligible institution' means an institution of higher education, a museum, a nonprofit research and scientific institution, or a public telecommunications entity.

**"SEC. 717. AUTHORIZATION OF APPROPRIATIONS.**

"There are authorized to be appropriated \$400,000,000 for fiscal year 1993 and each of the 6 succeeding fiscal years to carry out the provisions of this part."

**SEC. 704. FEDERAL ASSISTANCE IN THE FORM OF LOANS.**

Section 731 of the Act (as redesignated in section 701(a)(5)) is amended—

(1) in subsection (a)—

(A) by striking "undergraduate postsecondary educational institutions" and inserting "institutions of higher education or higher education building agencies"; and

(B) by inserting "graduate and" before "undergraduate academic";

(2) in subsection (b), by striking "undergraduate postsecondary educational institution" and inserting "institution of higher education or higher education building agency";

(3) in the matter preceding paragraph (1) of subsection (c), by striking "undergraduate postsecondary educational institution" and inserting "institution of higher education or higher education building agency";

(4) by striking subsections (d), (e), and (f); and

(5) by adding the following new subsection after subsection (c):

"(d) MATCHING REQUIREMENT.—The Secretary shall not make a loan under this part unless the institution of higher education or higher education building agency receiving such loan provides from non-Federal sources at least 20 percent of the development cost of the project for which the loan is made."

**SEC. 705. APPORTIONMENT PRIORITIES.**

Subsection (b) of section 733 of the Act (as redesignated in section 701(a)(5)) is amended—

(1) in paragraph (1), by inserting "graduate and" before "undergraduate"; and

(2) in paragraph (2), by inserting "graduate and" before "undergraduate" each place such term appears.

**SEC. 706. FUNDING RULES.**

Part C of title VII of the Act (as redesignated in section 701(a)(3)) is amended by adding after section 733 (as redesignated in section 701(a)(5)) the following new section:

**"SEC. 734. FUNDING RULES.**

"(a) USE OF FUNDS FROM TITLE IV OF THE HOUSING ACT OF 1950.—Funds obtained pursuant to section 401(d) of the Housing Act of 1950 shall be available for the purposes of carrying out this part. For such purposes, the total amount of notes and obligations which the Secretary may continue to issue and have outstanding for purchase by the Secretary of the Treasury shall not exceed the amount issued

and outstanding under such section 401(d) as of September 30, 1985. Such notes and other obligations shall be in such forms and denominations, have such maturities, and be subject to such terms and conditions as may be prescribed by the Secretary, with the approval of the Secretary of the Treasury. Such notes or other obligations issued to obtain funds for loan contracts entered into after the effective date of the Higher Education Act Amendments of 1986 shall bear interest at a rate determined by the Secretary of the Treasury which shall not be more than the average current yield on outstanding obligations of the United States of comparable maturities in the month preceding the month in which the contract for such loan is made. The Secretary of the Treasury is authorized and directed to purchase any notes and other obligations of the Secretary issued under this part and for such purpose is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under chapter 31 of title 31, United States Code, and the purposes for which securities may be issued under such chapter are extended to include any purchases of such notes and other obligations. The Secretary of the Treasury may at any time sell any of the notes or other obligations acquired under this part. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or other obligations shall be treated as public debt transactions of the United States.

"(b) USE OF FUNDS.—Not less than 10 percent of the funds held by the Secretary under subsection (a) shall be made available for loans under this part for each fiscal year.

"(c) APPROPRIATION TO COVER NOTES AND OBLIGATIONS NOT COVERED BY LOAN REPAYMENT.—There are authorized to be appropriated to the Secretary \$30,000,000 for fiscal year 1993 and such sums as may be necessary for each of the 6 succeeding fiscal years, together with principal and interest payments made by institutions of higher education or higher education building agencies assisted with loans made under this part (or under title IV of the Housing Act of 1950), for payment on notes and obligations issued by the Secretary under this part or such title."

**SEC. 707. DEFINITIONS.**

Section 735 of the Act (as redesignated in section 701(a)(5)) is amended—

(1) in subsection (b), by amending the matter preceding paragraph (1) to read as follows:

"(b) INSTITUTION OF HIGHER EDUCATION.—The term 'institution of higher education' means—"

(2) by inserting at the end thereof the following new subsection:

"(g) GRADUATE ACADEMIC FACILITY.—The term 'graduate academic facility' means an institution of higher education that offers a program of study that—

"(1) has been in existence for at least 4 years prior to the date for which assistance under this part is sought; and

"(2) leads to a graduate degree."

**SEC. 708. FORGIVENESS OF CERTAIN LOANS.**

Part D of title VII of the Act (as redesignated in section 701(a)(3)) is amended by adding at the end the following new section:

**"SEC. 743. FORGIVENESS OF CERTAIN LOANS.**

"(a) FORGIVENESS AUTHORIZED.—The Secretary may forgive the entire balance due, or any portion thereof, on any loan made under part C (as such part was in effect prior to the date of enactment of the Higher Education Amendments of 1991), or the College Housing and Academic Facilities Loan program whenever the Secretary determines that—

"(1) the institution is current in its payments to the Department of Education or has entered

into a moratorium agreement with the Secretary with respect to such payments; and

"(2) the outstanding indebtedness equals at least one-half the annual operating budget of the institution seeking forgiveness of its housing loan indebtedness and in the judgment of the Secretary the survival of the institution is threatened.

"(b) DEFINITION.—For the purpose of this section, the term 'institution' includes an institution of higher education and an undergraduate postsecondary educational institution.

"(c) APPLICATION.—Each institution requesting forgiveness of any loan under this section shall submit an application to the Secretary at such time, in such manner and containing or accompanied by such information as the Secretary may reasonably require."

**TITLE VIII—COOPERATIVE EDUCATION**

**SEC. 801. COOPERATIVE EDUCATION.**

Title VIII of the Act (20 U.S.C. 1133 et seq.) is amended to read as follows:

**"TITLE VIII—COOPERATIVE EDUCATION**

**"SEC. 801. STATEMENT OF PURPOSE; DEFINITION.**

"(a) PURPOSE.—It is the purpose of this title to award grants to institutions of higher education or combinations of such institutions to encourage such institutions to develop and make available to as many of their students as possible work experience that will aid such students in future careers and will enable such students to support themselves financially while in school.

"(b) DEFINITION.—For the purpose of this title the term 'cooperative education' means the provision of alternating or parallel periods of academic study and public or private employment in order to give students work experiences related to their academic or occupational objectives and an opportunity to earn the funds necessary for continuing and completing their education.

**"SEC. 802. AUTHORIZATION OF APPROPRIATIONS; RESERVATIONS.**

"(a) APPROPRIATIONS AUTHORIZED.—There are authorized to be appropriated to carry out this title \$20,000,000 for fiscal year 1993 and such sums as may be necessary for each of the 6 succeeding fiscal years.

"(b) RESERVATIONS.—Of the amounts appropriated in each fiscal year—

"(1) not less than 50 percent shall be available for carrying out grants to institutions of higher education and combinations of such institutions described in section 803(a)(1)(A) for cooperative education under section 803;

"(2) not less than 25 percent shall be available for carrying out grants to institutions of higher education and combinations of such institutions described in section 803(a)(1)(B) for cooperative education under section 803;

"(3) not to exceed 11 percent shall be available for demonstration projects under paragraph (1) of section 804(a);

"(4) not to exceed 11 percent shall be available for training and resource centers under paragraph (2) of section 804(a); and

"(5) not to exceed 3 percent shall be available for research under paragraph (3) of section 804(a).

"(c) AVAILABILITY OF APPROPRIATIONS.—Appropriations under this title shall not be available for the payment of compensation of students for employment by employers under arrangements pursuant to this title.

**"SEC. 803. GRANTS FOR COOPERATIVE EDUCATION.**

"(a) GRANTS AUTHORIZED.—

"(1) IN GENERAL.—The Secretary is authorized—

"(A) from the amount available under section 802(b)(1) in each fiscal year and in accordance with the provisions of this title, to make grants to institutions of higher education or to com-



binations of such institutions that have not received a grant under this paragraph in the 10-year period preceding the date for which a grant under this section is requested to pay the Federal share of the cost of planning, establishing, expanding, or carrying out programs of cooperative education by such institutions or combinations of institutions; and

"(B) from the amount available under section 802(b)(2) in each fiscal year and in accordance with the provisions of this title, to make grants to institutions of higher education or to combinations of such institutions that—

"(i) are operating an existing cooperative education program as determined by the Secretary; or

"(ii) have received a grant under this title in the 5 preceding fiscal years,

to pay the Federal share of the cost of planning, establishing, expanding, or carrying out programs of cooperative education by such institutions or combinations of institutions.

"(2) PROGRAM REQUIREMENT.—Cooperative education programs assisted under this section shall provide alternating or parallel periods of academic study and of public or private employment, giving students work experience related to their academic or occupational objectives and the opportunity to earn the funds necessary for continuing and completing their education.

"(3) AMOUNT OF GRANTS.—(A) The amount of each grant awarded pursuant to paragraph (1)(A) to any institution of higher education or combination of such institutions in any fiscal year shall not exceed \$500,000.

"(B) The Secretary shall award grants in each fiscal year to each institution of higher education or combination of such institutions described in paragraph (1)(B) that has an application approved under subsection (b) in an amount which bears the same relation to the amount reserved pursuant to section 802(b)(2) in such fiscal year as the number of unduplicated students placed in cooperative education programs by such institution of higher education or combination of such institutions in the preceding fiscal year bears to the total number of all unduplicated students placed in such programs by all such institutions or combinations in such preceding year.

"(4) SPECIAL RULES.—(A) Notwithstanding any other provision of law, no institution of higher education or combination of such institutions shall receive a grant pursuant to paragraph (1)(B) in any fiscal year in an amount which exceeds 25 percent of such institution's or combination's cooperative education program's personnel and operating budget for the preceding fiscal year.

"(B) The Secretary shall not award grants pursuant to paragraphs (1)(A) and (1)(B) to the same institution of higher education or combination of such institutions in any one fiscal year.

"(b) APPLICATIONS.—(1) Except as provided in paragraph (2), each institution of higher education or combination of institutions desiring to receive a grant under this title shall submit an application to the Secretary at such time and in such manner as the Secretary shall prescribe. Each such application shall—

"(A) set forth the program or activities for which a grant is authorized under this section;

"(B) specify each portion of such program or activities which will be performed by a nonprofit organization or institution other than the applicant and the compensation to be paid for such performance;

"(C) provide that the applicant will expend during such fiscal year for the purpose of such program or activities not less than the amount expended for such purpose during the previous fiscal year;

"(D) describe the plans which the applicant will carry out to assure, and contain a formal

statement of the institution's commitment which assures, that the applicant will continue the cooperative education program beyond the 5-year period of Federal assistance described in subsection (c)(1) at a level which is not less than the total amount expended for such program during the first year such program was assisted under this section;

"(E) provide that, in the case of an institution of higher education that provides a 2-year program which is acceptable for full credit toward a bachelor's degree, the cooperative education program will be available to students who are certificate or associate degree candidates and who carry at least one-half the normal full-time academic workload;

"(F) provide that the applicant will—

"(i) make such reports as may be essential to ensure that the applicant is complying with the provisions of this section, including the reports for the second and each succeeding fiscal year for which the applicant receives a grant data with respect to the impact of the cooperative education program in the previous fiscal year, including—

"(I) the number of unduplicated students enrolled in the cooperative education program;

"(II) the number of unduplicated students placed in cooperative education program jobs;

"(III) the number of employers who have hired cooperative education program students;

"(IV) the income for students derived from working in cooperative education program jobs; and

"(V) the increase or decrease in the number of students placed in cooperative education program jobs in each fiscal year compared to the previous fiscal year; and

"(ii) keep such records as are essential to ensure that the applicant is complying with the provisions of this title, including the notation of cooperative education program employment on the student's transcript;

"(G) describe the extent to which programs in the academic discipline for which the application is made have had a favorable reception by public and private sector employers;

"(H) describe the extent to which the institution is committed to extending cooperative education on an institution-wide basis for all students who can benefit;

"(I) describe the plans that the applicant will carry out to evaluate the applicant's cooperative education program at the end of the grant period and to disseminate the results of such evaluation;

"(J) provide for such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of, and accounting for, Federal funds paid to the applicant under this title; and

"(K) include such other information as is essential to carry out the provisions of this title.

"(2) SPECIAL RULE.—The Secretary shall not require applicants for grants pursuant to subsection (a)(1)(B) to submit the information described in paragraph (1)(D).

"(3) SPECIAL CONSIDERATION.—The Secretary shall give special consideration to applications from institutions of higher education or combinations thereof which demonstrate a commitment to serving special populations such as women, individuals with disabilities, and black, Mexican-American, Puerto Rican, Cuban, other Hispanic, American Indian, Alaska Native, Aleut, Native Hawaiian, American Samoan, Micronesian, Guamanian (Chamorro), and Northern Marianan students.

"(c) DURATION OF GRANTS; FEDERAL SHARE.—

"(1) DURATION OF GRANTS.—No individual institution of higher education may receive, individually or as a participant in a combination of such institutions—

"(A) a grant pursuant to subsection (a)(1)(A) for more than 5 fiscal years; or

"(B) a grant pursuant to subsection (a)(1)(B) for more than 5 fiscal years.

"(2) FEDERAL SHARE.—The Federal share of a grant under this section may not exceed—

"(A) 85 percent of the cost of carrying out the application in the first year the applicant receives a grant under this section;

"(B) 70 percent of such cost in the second such year;

"(C) 55 percent of such cost in the third such year;

"(D) 40 percent of such cost in the fourth such year; and

"(E) 25 percent of such cost in the fifth such year.

"(3) SPECIAL RULE.—Any provision of law to the contrary notwithstanding, the Secretary shall not waive the provisions of this subsection.

"(d) MAINTENANCE OF EFFORT.—If the Secretary determines that a recipient of funds under this section has failed to maintain the fiscal effort described in subsection (b)(1)(C), then the Secretary may elect not to make grant payments under this section to such recipient. Pursuant to subsection (b)(1)(D), each recipient of funds under this section shall provide to the Secretary information documenting such recipient's maintenance of fiscal effort beyond the 5-year period of the grant as required by the Secretary through notification in the Federal Register.

#### "SEC. 804. DEMONSTRATION AND INNOVATION PROJECTS; TRAINING AND RESOURCE CENTERS; AND RESEARCH.

"(a) AUTHORIZATION.—The Secretary is authorized, in accordance with the provisions of this section, to make grants and enter into contracts for—

"(1) the conduct of demonstration projects designed to demonstrate or determine the feasibility or value of innovative methods of cooperative education from the amounts available in each fiscal year under section 802(b)(3);

"(2) the conduct of training and resource centers designed to—

"(A) train personnel in the field of cooperative education;

"(B) improve materials used in cooperative education programs if such improvement is conducted in conjunction with other activities described in this paragraph;

"(C) furnish technical assistance to institutions of higher education to increase the potential of the institution to continue to conduct a cooperative education program without Federal assistance;

"(D) encourage model cooperative education programs which furnish education and training in occupations in which there is a national need; and

"(E) support partnerships under which an institution carrying out a comprehensive cooperative education program joins with another institution of higher education in order to (i) assist the institution other than the comprehensive cooperative education institution to develop and expand an existing program of cooperative education, or (ii) establish and improve or expand comprehensive cooperative education programs, from the amounts available in each fiscal year under section 802(b)(4); and

"(3) the conduct of research relating to cooperative education, from the amounts available in each fiscal year under section 802(b)(5).

"(b) ADMINISTRATIVE PROVISION.—

"(1) IN GENERAL.—To carry out this section, the Secretary may—

"(A) make grants to or contracts with institutions of higher education, or combinations of such institutions, and

"(B) make grants to or contracts with other public or private nonprofit agencies or organizations, whenever such grants or contracts will make an especially significant contribution to attaining the objectives of this section.

"(2) LIMITATION.—(A) The Secretary may not use more than 3 percent of the amount appropriated to carry out this section in each fiscal year to enter into contracts described in paragraph (1)(A).

"(B) The Secretary may use not more than 3 percent of the amount appropriated to carry out this section in each fiscal year to enter into contracts described in paragraph (1)(B).

"(c) SUPPLEMENT NOT SUPPLANT.—A recipient of a grant or contract under this section may use the funds provided only so as to supplement and, to the extent possible, increase the level of funds that would, in the absence of such funds, be made available from non-Federal sources to carry out the activities supported by such grant or contract, and in no case to supplant such funds from non-Federal sources."

#### TITLE IX—GRADUATE PROGRAMS

##### SEC. 901. GRADUATE PROGRAMS.

Title IX of the Act (20 U.S.C. 1134 et seq.) is amended to read as follows:

#### "TITLE IX—GRADUATE PROGRAMS

##### "SEC. 901. PURPOSE AND ADMINISTRATIVE PROVISIONS.

"(a) PURPOSE.—It is the purpose of this title to—

"(1) foster and support graduate and professional education for two distinct national needs;

"(2) provide incentives and support for United States citizens to complete doctoral degree programs leading to academic careers, especially women and students from underrepresented groups; and

"(3) provide support for students from underrepresented groups to complete masters and professional degree programs.

"(b) ADMINISTRATIVE PROVISIONS.—

"(1) COORDINATED ADMINISTRATION.—In carrying out the purposes of this title, the Secretary shall provide for coordinated administration and regulation of graduate programs under this title to ensure that the programs are carried out in a manner most compatible with academic practices.

"(2) ADMINISTRATIVE AND TECHNICAL EMPLOYEES.—For purposes of carrying out this title, the Secretary shall appoint, without regard to the provisions of title 5 of the United States Code governing appointments in the competitive service, such administrative and technical employees, with the appropriate educational background, as shall be needed to assist in the administration of such part. Such employees shall be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates.

#### "PART A—GRANTS TO ENCOURAGE PARTICIPATION IN GRADUATE EDUCATION

"Subpart I—Patricia Roberts Harris Fellowships

##### "SEC. 911. STATEMENT OF PURPOSE; DESIGNATION OF AWARDS.

"(a) PURPOSE.—It is the purpose of this subpart to provide, through institutions of higher education, a program of grants to assist in making available the benefits of a postbaccalaureate education to graduate and professional students who demonstrate financial need.

"(b) DESIGNATION.—Each recipient of such an award under this subpart shall be known as a 'Patricia Roberts Harris Fellow'.

##### "SEC. 912. PROGRAM AUTHORIZED.

"(a) GRANTS BY SECRETARY.—

"(1) IN GENERAL.—The Secretary shall make grants to institutions of higher education to enable such institutions to make grants in accordance with the provisions of this subpart.

"(2) RESERVATIONS.—The Secretary shall reserve—

"(A) 50 percent of the amount appropriated pursuant to section 914 to award grants to insti-

tutions of higher education to enable such institutions to make awards for masters and professional study; and

"(B) 50 percent of such amount to award grants to such institutions to enable such institutions to make awards for doctoral study.

"(b) DISTRIBUTION AND AMOUNTS OF GRANTS.—

"(1) EQUITABLE DISTRIBUTION.—In making such grants the Secretary shall, to the maximum extent feasible, ensure an equitable geographic distribution of awards and an equitable distribution among eligible public and independent institutions of higher education.

"(2) SPECIAL RULE.—To the maximum extent practicable, the Secretary shall award at least 15 percent of the amount appropriated pursuant to the authority of section 914 to institutions of higher education operating programs for postbaccalaureate education leading to careers that serve the public interest.

"(3) REALLOTMENT.—Whenever the Secretary determines that an institution of higher education is unable to use all of the amounts available to it under this subpart, the Secretary shall, on such dates during each fiscal year as the Secretary may fix, reallocate such amounts not needed to institutions which can use the grants authorized by this subpart.

"(c) APPLICATIONS.—Any eligible institution of higher education offering a program of postbaccalaureate study leading to a graduate or professional degree may apply for grants under this subpart. Each such institution may make an application to the Secretary at such time, in such manner, and containing or accompanied by such information as the Secretary may reasonably require. Such application may be made on behalf of professional schools, academic departments, or similar organizational units within such institution meeting the requirements of this subsection, including interdisciplinary or interdepartmental programs.

"(d) SELECTION OF APPLICATIONS.—In making grants to institutions of higher education, the Secretary shall—

"(1) take into account present and projected needs for highly trained individuals in all areas of education beyond secondary school;

"(2) take into account present and projected needs for highly trained individuals in other than academic career fields of high national priority; and

"(3) consider the need to prepare a larger number of individuals from minority groups, especially from among such groups which have been traditionally underrepresented in colleges and universities, but nothing contained in this paragraph shall be interpreted to require any institution to grant preference or disparate treatment to the members of one minority group on account of an imbalance which may exist with respect to the total number or percentage of individuals of such group participating in or receiving the benefits of the program authorized in this section, in comparison with the total number or percentage of individuals of such group in any community, State, section, or other area.

"(e) PRIORITIES FOR FELLOWSHIPS.—The Secretary shall assure that, in making grants under this subpart, awards are made to—

"(1) individuals who plan to pursue a career in public service; and

"(2) individuals from traditionally underrepresented groups, as determined by the Secretary, undertaking graduate or professional study.

"(f) INSTITUTIONAL PAYMENTS.—

"(1) IN GENERAL.—Beginning in fiscal year 1993, the Secretary shall (in addition to the award paid to each individual pursuant to a grant under this subpart) pay \$3,000 to the institution of higher education at which such individual is pursuing a course of education.

"(2) ADJUSTMENT.—The Secretary shall adjust the payment made pursuant to paragraph (1) annually in accordance with inflation as determined by the Department of Labor's Consumer Price Index.

"(g) USE FOR RELIGIOUS PURPOSES PROHIBITED.—No fellowship shall be awarded under this subpart for study at a school or department of divinity.

##### "SEC. 913. AWARD OF FELLOWSHIPS.

"(a) AWARDS BASED ON NEED.—An institution of higher education receiving funds under this subpart shall make available to financially needy graduate and professional students an award determined by such institution of higher education, except that no award under this subpart may exceed \$14,000 or the fellowship recipient's demonstrated level of need according to measurements of need as approved by the Secretary, whichever is less.

"(b) REQUIREMENTS FOR AWARDS.—

"(1) MASTER'S OR PROFESSIONAL DEGREE.—No student enrolled in graduate study leading to a master's or professional degree shall receive an award except during periods in which such student is maintaining satisfactory progress in, and devoting essentially full time to, study or research (including acting as a teaching assistant or research assistant as may be required as a condition to award a degree), in the field in which such fellowship was awarded and is not engaging in gainful employment, other than part-time employment by the institution of higher education involved in teaching, research, or similar activities, approved by the Secretary. Such period shall not exceed a total of 2 years, except that the Secretary may provide by regulation for the granting of such fellowships for a period of study not to exceed one 12-month period, in addition to the 2-year period for study or research set forth in this section, under special circumstances which the Secretary determines would most effectively serve the purposes of this subpart. The Secretary shall make a determination to provide such 12-month extension of an award to an individual fellowship recipient for study or research upon review of an application for such extension by the recipient.

"(2) DOCTORAL DEGREE.—No student enrolled in graduate study leading to a doctoral degree shall receive an award except during periods in which such student is maintaining satisfactory progress in, and devoting essentially full time to study, research (including acting as a teaching assistant or research assistant as may be required as a condition to award a degree), or dissertation work in the field in which such fellowship was awarded and is not engaging in gainful employment, other than part-time employment by the institution of higher education involved in teaching, research, or similar activities, approved by the Secretary. Such period shall not exceed a total of 3 years, consisting of not more than 2 years of support for study or research, and not more than 1 year of support for dissertation work provided that the student has attained satisfactory progress to the dissertation stage. The institution shall provide 2 years of support for each student, including at least 1 year of supervised teaching, following the 2 years of pre-dissertation support under this subpart. The Secretary may provide by regulation for the granting of such fellowships for a period of study not to exceed one 12-month period, in addition to the 2-year period for study or research set forth in this section, under special circumstances which the Secretary determines would most effectively serve the purposes of this subpart. The Secretary shall make a determination to provide such 12-month extension of an award to an individual fellowship recipient for study or research upon review of an application for such extension by the recipient.



**"SEC. 914. AUTHORIZATION OF APPROPRIATIONS.**

"There are authorized to be appropriated \$25,000,000 for fiscal year 1993 and such sums as may be necessary for each of the 6 succeeding fiscal years to carry out this subpart.

**"Subpart 2—Assistance for Training in the Legal Profession****"SEC. 921. PROGRAM AUTHORIZED.**

"(a) **GRANTS AND CONTRACTS.**—The Secretary is authorized to make grants to, or enter into contracts with, public and private agencies and organizations other than institutions of higher education for the purpose of assisting individuals from disadvantaged backgrounds, as determined in accordance with criteria prescribed by the Secretary, to undertake training for the legal profession.

"(b) **USE OF FUNDS.**—Grants made, and contracts entered into, under subsection (a) may cover, in accordance with regulations of the Secretary, all or part of the cost of—

"(1) selecting individuals from disadvantaged backgrounds for training for the legal profession;

"(2) facilitating the entry of such individuals into institutions of higher education for the purpose of pursuing such training;

"(3) providing counseling or other services designed to assist such individuals to complete successfully such training;

"(4) providing, for not more than 6 months prior to the entry of such individuals upon their courses of training for the legal profession, preliminary training for such individuals designed to assist such individuals to complete successfully such training for the legal profession;

"(5) paying such stipends (including allowances for travel and for dependents) as the Secretary may determine for such individuals for any such period of preliminary training or for any period of training for the legal profession during which such individuals maintain satisfactory academic proficiency, as determined by the Secretary; and

"(6) paying for administrative activities of the agencies and organizations which receive such grants, or with which such contracts are entered into, to the extent such activities are for the purpose of furthering activities described in paragraphs (1) through (5).

**"SEC. 922. AUTHORIZATION OF APPROPRIATIONS.**

"There are authorized to be appropriated \$5,000,000 for fiscal year 1993 and such sums as may be necessary for each of the 6 succeeding fiscal years to carry out this subpart.

**"Subpart 3—Law School Clinical Experience Programs****"SEC. 925. PROGRAM AUTHORIZATION.**

"(a) **GRANT AND CONTRACT PURPOSES.**—The Secretary is authorized to enter into grants or contracts with accredited law schools in the States for the purpose of paying not to exceed 90 percent of the costs of establishing or expanding programs in such schools to provide clinical experience to students in the practice of law, which includes any form of law student work involving performance in the role of a lawyer exercising legal skills and roles such as those of an advocate, counselor, negotiator, investigator, and ethical practitioner, whether by way of the provision of representation of or services to an identifiable client in actual cases or situations (subject to existing State or local limitations upon such provision) or by way of simulation of such provision through appropriate exercises. Preference shall be given to those programs providing legal experience in the preparation and trial of actual cases, including administrative cases and the settlement of controversies outside the courtroom. The cases and situations handled in actuality or by simulation may encompass any one or more of the following:

"(1) judicial, administrative, executive, or legislative proceedings, including the full range of preparation therefor;

"(2) office or house counsel problems; or

"(3) factual investigation, empirical research, or policy or legal analysis.

"(b) **USE OF FUNDS.**—Such costs may include necessary expenditures incurred for—

"(1) planning;

"(2) training of faculty members and salary for additional faculty members;

"(3) travel and per diem for faculty and students;

"(4) reasonable stipends for students for work in the public service performed as part of any such program at a time other than during the regular academic year;

"(5) equipment and library resources;

"(6) involving practicing lawyers in the process of training law students to perform as lawyers; and

"(7) such other items as are allowed pursuant to regulations issued by the Secretary.

"(c) **LIMITATIONS ON AMOUNTS.**—No law school may receive more than \$100,000 in any fiscal year pursuant to this subpart, no part of which may be used to pay for indirect costs or charges.

"(d) **DEFINITION.**—For the purpose of this subpart, the term 'accredited law school' means any law school which is accredited by a nationally recognized accrediting agency or association approved by the Secretary for this purpose, including any combination or consortium of such schools.

**"SEC. 926. APPLICATIONS.**

"(a) **REQUIREMENTS.**—A grant or contract authorized by this subpart may be made by the Secretary upon application which—

"(1) is made at such time or times and contains such information as the Secretary may prescribe;

"(2) provides for such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of and accounting for Federal funds paid to the applicant under this subpart; and

"(3) provides for making such reports, in such form and containing such information as the Secretary may require to carry out functions under this subpart, and for keeping such records and for affording such access thereto as the Secretary may find necessary to assure the correctness and verification of such reports.

"(b) **DISTRIBUTION OF GRANTS AND CONTRACTS.**—The Secretary shall allocate grants or contracts under this subpart in such manner as will provide an equitable distribution of such grants or contracts throughout the United States among law schools which show promise of being able to use funds effectively for the purpose of this subpart.

**"SEC. 927. AUTHORIZATION OF APPROPRIATIONS.**

"There are authorized to be appropriated \$10,000,000 for fiscal year 1993 and such sums as may be necessary for each of the 6 succeeding fiscal years to carry out this subpart.

**"PART B—GRANTS TO ENHANCE THE QUALITY AND DIVERSITY OF ACADEMIC FACULTY****"Subpart 1—Jacob K. Javits Fellows Program****"SEC. 931. AWARD OF JACOB K. JAVITS FELLOWSHIPS.**

"(a) **NUMBER AND TIMING OF AWARDS.**—The Secretary is authorized to award fellowships in accordance with the provisions of this subpart for graduate study in the arts, humanities, and social sciences by students of superior ability selected on the basis of demonstrated achievement and exceptional promise. All funds appropriated in a fiscal year shall be obligated and expended to the students for fellowships for use in the academic year beginning after July 1 of the fiscal year for which the funds were appropriated. The fellowships shall be awarded for only 1 academic year of study and shall be renewable for a period not to exceed 4 years of study.

"(b) **DESIGNATION OF FELLOWS.**—Students receiving awards under this subpart shall be known as 'Jacob K. Javits Fellows'.

"(c) **INTERRUPTIONS OF STUDY.**—The institution of higher education may allow a fellowship recipient to interrupt periods of study for a period not to exceed 12 months for the purpose of work, travel, or independent study away from the campus, if such independent study is supportive of the fellowship recipient's academic program and shall continue payments for those 12-month periods during which the student is pursuing travel or independent study supportive of the recipient's academic program.

**"SEC. 932. ALLOCATION OF FELLOWSHIPS.****"(a) FELLOWSHIP BOARD.**

"(1) **APPOINTMENT.**—The Secretary shall appoint a Jacob K. Javits Fellows Program Fellowship Board consisting of 9 individuals representative of both public and private institutions of higher education especially qualified to serve on the Board. In making appointments, the Secretary shall give due consideration to the appointment of individuals who are highly respected in the academic community. The Secretary shall assure that individuals appointed to the Board are broadly knowledgeable about and have experience in doctoral education in arts, humanities, and social sciences.

**"(2) DUTIES.**—The Board shall—

"(A) establish general policies for the program established by this subpart and oversee its operation;

"(B) establish general criteria for the distribution of fellowships among eligible academic fields identified by the Board;

"(C) appoint panels of academic scholars with distinguished backgrounds in the arts, humanities, and social sciences for the purpose of selecting fellows; and

"(D) prepare and submit to the Congress at least once in every 3-year period a report on any modifications in the program that the Board determines are appropriate.

"(3) **CONSULTATIONS.**—In carrying out its responsibilities, the Board shall consult on a regular basis with representatives of the National Science Foundation, the National Endowment for the Humanities, the National Endowment for the Arts, and representatives of institutions of higher education and associations of such institutions, learned societies, and professional organizations.

"(4) **TERM.**—The term of office of each member of the Board shall be 4 years; except that any member appointed to fill a vacancy shall serve for the remainder of the term for which the predecessor of the member was appointed. No member may serve for a period in excess of 6 years.

"(5) **INITIAL MEETING; VACANCY.**—The Secretary shall call the first meeting of the Board, at which the first order of business shall be the election of a Chairman and a Vice Chairman, who shall serve until 1 year after the date of their appointment. Thereafter each officer shall be elected for a term of 2 years. In case a vacancy occurs in either office, the Board shall elect an individual from among the members of the Board to fill such vacancy.

"(6) **QUORUM; ADDITIONAL MEETINGS.**—(A) A majority of the members of the Board shall constitute a quorum.

"(B) The Board shall meet at least once a year or more frequently, as may be necessary, to carry out its responsibilities.

"(7) **COMPENSATION.**—Members of the Board, while serving on the business of the Board, shall be entitled to receive compensation at rates fixed by the Secretary, but not exceeding the rate of basic pay payable for level IV of the Executive Schedule, including traveltime; and while so serving away from their homes or regular places of business, they may be allowed travel ex-

penses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for persons in Government service employed intermittently.

**"(b) USE OF SELECTION PANELS.**—The recipients of fellowships shall be selected in each designated field from among all applicants nationwide in each field by distinguished panels appointed by the Fellowship Board to make such selections under criteria established by the Board. The number of recipients in each field in each year shall not exceed the number of fellows allocated to that field for that year by the Fellowship Board.

**"(c) FELLOWSHIP PORTABILITY.**—Each recipient shall be entitled to use the fellowship in a doctoral program at any accredited institution of higher education in which the recipient may decide to enroll.

**"SEC. 933. STIPENDS.**

**"(a) AWARD BY SECRETARY.**—The Secretary shall pay to individuals awarded fellowships under this subpart such stipends (including such allowances for subsistence and other expenses for such individuals and their dependents) as the Secretary may determine to be appropriate, adjusting such stipends as necessary so as not to exceed \$14,000 or the fellow's demonstrated level of need according to measurements of need as approved by the Secretary.

**"(b) INSTITUTIONAL PAYMENTS.**—

**"(1) IN GENERAL.**—The Secretary shall (in addition to the stipends paid to individuals under subsection (a)) pay to the institution of higher education, for each individual awarded a fellowship for pursuing a course at such institution, \$8,000 with respect to such awards made for the fiscal year ending September 30, 1993, to be adjusted annually thereafter in accordance with inflation as determined by the Department of Labor's Consumer Price Index, except that such amount charged to a fellowship recipient and collected from such recipient for tuition and other expenses required by the institution as part of the recipient's instructional program shall be deducted from the payment to the institution under this subsection.

**"(2) SPECIAL RULE.**—Subject to the availability of appropriations, amounts payable to an institution by the Secretary pursuant to this subsection shall not be reduced for any purpose other than the purposes specified under paragraph (1).

**"SEC. 934. FELLOWSHIP CONDITIONS.**

**"(a) REQUIREMENTS FOR RECEIPT.**—An individual awarded a fellowship under the provisions of this subpart shall continue to receive payments provided in section 933 only during such periods as the Secretary finds that such individual is maintaining satisfactory proficiency in, and devoting essentially full time to, study or research in the field in which such fellowship was awarded, in an institution of higher education, and is not engaging in gainful employment other than part-time employment by such institution in teaching, research, or similar activities, approved by the Secretary.

**"(b) REPORTS FROM RECIPIENTS.**—The Secretary is authorized to require reports containing such information in such form and to file at such times as the Secretary determines necessary from any person awarded a fellowship under the provisions of this subpart. The reports shall be accompanied by a certificate from an appropriate official at the institution of higher education, library, archive, or other research center approved by the Secretary, stating that such individual is making satisfactory progress in, and is devoting essentially full time to the program for which the fellowship was awarded.

**"SEC. 935. AUTHORIZATION OF APPROPRIATIONS.**

"There are authorized to be appropriated \$15,000,000 for fiscal year 1993, and such sums as may be necessary for each of the 6 succeeding fiscal years to carry out this subpart.

**"Subpart 2—Graduate Assistance in Areas of National Need**

**"SEC. 941. PURPOSE.**

"In order to sustain and enhance the capacity for teaching and research in areas of national need, it is the purpose of the subpart to provide, through academic departments and programs of institutions of higher education, a fellowship program to assist graduate students of superior ability who demonstrate financial need.

**"SEC. 942. GRANTS TO ACADEMIC DEPARTMENTS AND PROGRAMS OF INSTITUTIONS.**

**"(a) GRANT AUTHORITY.**—

**"(1) IN GENERAL.**—The Secretary shall make grants to academic departments and programs and other academic units of institutions of higher education that provide courses of study leading to a graduate degree in order to enable such institutions to provide assistance to graduate students in accordance with this subpart.

**"(2) ADDITIONAL GRANTS.**—The Secretary may also make grants to such departments and programs and to other units of institutions of higher education granting graduate degrees which submit joint proposals involving nondegree granting institutions which have formal arrangements for the support of doctoral dissertation research with degree-granting institutions. Nondegree granting institutions eligible for awards as part of such joint proposals include any organization which—

**"(A)** is described in section 501(c)(3) of the Internal Revenue Code of 1986, and is exempt from tax under section 501(a) of such Code;

**"(B)** is organized and operated substantially to conduct scientific and cultural research and graduate training programs;

**"(C)** is not a private foundation;

**"(D)** has academic personnel for instruction and counseling who meet the standards of the institution of higher education in which the students are enrolled; and

**"(E)** has necessary research resources not otherwise readily available in such institutions to such students.

**"(b) AWARD AND DURATION OF GRANTS.**—

**"(1) AWARDS.**—The principal criterion for the allocation of awards shall be the relative quality of the graduate programs presented in competing applications. Consistent with an allocation of awards based on quality of competing applications, the Secretary shall, in making such grants, promote an equitable geographic distribution among eligible public and private institutions of higher education.

**"(2) DURATION.**—The Secretary shall approve a grant recipient under this subpart for a 3-year period. From the sums appropriated under this subpart for any fiscal year, the Secretary shall not make a grant to any academic department or program of an institution of higher education of less than \$100,000 or greater than \$500,000 per fiscal year.

**"(3) REALLOTMENT.**—Whenever the Secretary determines that an academic department or program of an institution of higher education is unable to use all of the amounts available to it under this subpart, the Secretary shall, on such dates during each fiscal year as the Secretary may fix, reallocate the amounts not needed to academic departments and programs of institutions which can use the grants authorized by this subpart.

**"(c) PREFERENCE TO CONTINUING GRANT RECIPIENTS.**—

**"(1) IN GENERAL.**—The Secretary shall make new grant awards under this subpart only to the extent that each previous grant recipient has received continued funding in accordance with subsection (b)(2).

**"(2) RATABLE REDUCTION.**—To the extent that appropriations under this subpart are insufficient to comply with paragraph (1), available funds shall be distributed by ratably reducing

the amounts required to be awarded by subsection (b)(2).

**"SEC. 943. INSTITUTIONAL ELIGIBILITY.**

**"(a) ELIGIBILITY CRITERIA.**—Any academic department or program of an institution of higher education that offers a program of postbaccalaureate study leading to a graduate degree in an area of national need (as designated under subsection (b)) may apply for a grant under this subpart. No department or program shall be eligible for a grant unless the program of postbaccalaureate study has been in existence for at least 4 years at the time of application for assistance under this subpart.

**"(b) DESIGNATION OF AREAS OF NATIONAL NEED.**—After consultation with the National Science Foundation, the National Academy of Sciences, the National Endowments for the Arts and the Humanities, and other appropriate Federal and nonprofit agencies and organizations, the Secretary shall designate areas of national need. The Secretary shall designate such areas of national need on the basis of the projected need for faculty and scientists due to replacement demands and emerging fields. In making such designations, the Secretary shall take into account the extent to which the interest is compelling and the extent to which other Federal programs support postbaccalaureate study in the area concerned.

**"SEC. 944. CRITERIA FOR APPLICATIONS.**

**"(a) SELECTION OF APPLICATIONS.**—The Secretary shall make grants to academic departments and programs of institutions of higher education on the basis of applications submitted in accordance with subsection (b). Applications shall be ranked on program quality by geographically balanced review panels of nationally recognized scholars. To the extent possible (consistent with other provisions of this section), the Secretary shall make awards that are consistent with recommendations of the review panels.

**"(b) CONTENTS OF APPLICATIONS.**—An academic department or program of an institution of higher education, in its application for a grant, shall—

**"(1)** describe the current academic program of the applicant for which the grant is sought;

**"(2)** provide assurances that the applicant will provide, from other non-Federal funds, for the purposes of the fellowship program under this subpart an amount equal to at least 25 percent of the amount of the grant received under this subpart;

**"(3)** set forth policies and procedures to assure that, in making fellowship awards under this subpart the institution will seek talented students from traditionally underrepresented backgrounds, as determined by the Secretary;

**"(4)** set forth policies and procedures to assure that, in making fellowship awards under this subpart, the institution will make awards to individuals who—

**"(A)** have financial need, as determined under criteria developed by the institution;

**"(B)** have excellent academic records in their previous programs of study;

**"(C)** plan teaching or research careers; and

**"(D)** plan to pursue the highest possible degree available in their course of study;

**"(5)** set forth policies and procedures to ensure that Federal funds made available under this subpart for any fiscal year will be used to supplement and, to the extent practical, increase the funds that would otherwise be made available for the purpose of this subpart and in no case to supplant those funds;

**"(6)** provide assurances that, in the event that funds made available to the academic department or program under this subpart are insufficient to provide the assistance due a student under the commitment entered into between the academic department or program and the stu-



dent, the academic department or program will endeavor, from any funds available to it, to fulfill the commitment to the student;

"(7) provide that the applicant will comply with the limitations set forth in section 945;

"(8) provide assurances that the academic department will provide at least 1 year of supervised training in instruction for students, to be provided from non-Federal funds available to such department; and

"(9) include such other information as the Secretary may prescribe.

#### **"SEC. 945. AWARDS TO GRADUATE STUDENTS.**

"(a) **COMMITMENTS TO GRADUATE STUDENTS.**—

"(1) **IN GENERAL.**—From at least 60 percent of the funds received under this subpart, an academic department or program of an institution of higher education shall make commitments to graduate students at any point of their graduate study, including students pursuing a doctoral degree after having completed a master's degree program at an institution of higher education, to provide stipends for the length of time necessary for a student to complete the course of graduate study, but in no case longer than 5 years.

"(2) **SPECIAL RULE.**—No such commitments shall be made to students under this subpart unless the academic department or program has determined adequate funds are available to fulfill the commitment either from funds received or anticipated under this subpart, or from institutional funds.

"(b) **AMOUNT OF STIPENDS.**—The size of the stipend awarded to students for an individual academic year shall be determined by the institution, except that no annual stipend award under this subpart may exceed \$14,000 or the student's level of need according to measurements of need as approved by the Secretary, whichever is less.

"(c) **ACADEMIC PROGRESS REQUIRED.**—Notwithstanding the provisions of subsection (a), no student shall receive an award—

"(1) except during periods in which such student is maintaining satisfactory progress in, and devoting essentially full time to, study or research in the field in which such fellowship was awarded, or

"(2) if the student is engaging in gainful employment other than part-time employment involved in teaching, research, or similar activities determined by the institution to be in support of the student's progress towards a degree.

#### **"SEC. 946. ADDITIONAL ASSISTANCE FOR COST OF EDUCATION.**

"(a) **IN GENERAL.**—The Secretary shall (in addition to stipends paid to individuals under this subpart) pay to the institution of higher education, for each individual awarded a fellowship at such institution, \$8,000 with respect to such awards made for the fiscal year ending September 30, 1993, to be adjusted annually thereafter in accordance with inflation as determined by the Department of Labor's Consumer Price Index.

"(b) **USE FOR OVERHEAD PROHIBITED.**—Funds made available pursuant to this subpart may not be used for the general operational overhead of the academic department or program.

#### **"SEC. 947. AUTHORIZATION OF APPROPRIATIONS.**

"There are authorized to be appropriated \$35,000,000 for fiscal year 1993 and such sums as may be necessary for each of the 6 succeeding fiscal years to carry out this subpart.

"Subpart 3—Dennis Chavez Fellowship Program

#### **"SEC. 951. FELLOWSHIPS AUTHORIZED.**

"(a) **PROGRAM AUTHORIZED.**—

"(1) **IN GENERAL.**—The Secretary shall make multiple-year grants to institutions of higher education or consortia of such institutions and nonprofit entities organized to carry out the purposes of this subpart, with a demonstrated

record of enhancing the access of individuals from underrepresented groups to graduate education to enable such institutions to—

"(A) identify talented faculty from underrepresented groups who wish to continue in the higher education professorate and obtain a doctoral degree;

"(B) identify talented baccalaureate degree recipients from underrepresented groups who have financial need and who wish to obtain a doctoral degree and enter the higher education professorate; and

"(C) provide the individuals described in paragraphs (1) and (2) with a fellowship to assist such students in obtaining a doctoral degree.

"(2) **FELLOWSHIPS.**—Each institution of higher education or consortium receiving a grant under this subpart shall award the fellowships described in paragraph (1)(C) in an amount equal to \$10,000 or an amount based on the financial need of the recipient (determined by the institution in accordance with measurements of need approved by the Secretary), whichever is less.

"(b) **PRIORITY.**—In making grants pursuant to subsection (a), the Secretary shall give priority to applications describing programs that—

"(1) provide a tuition waiver and an assistantship to each fellowship recipient;

"(2) provide a stipend to each fellowship recipient from resources other than the resources of the Federal Government;

"(3) emphasize courses of study leading to a doctoral degree in disciplines in which faculty from underrepresented groups are underrepresented; and

"(4) describe steps to ensure that a fellowship recipient will teach at an institution of higher education where minority undergraduate students are likely to benefit from the educational experience and academic achievements of the fellowship recipient.

"(c) **GEOGRAPHIC DISTRIBUTION.**—In awarding grants pursuant to subsection (a), the Secretary shall ensure—

"(1) an equitable geographic distribution of such grants; and

"(2) that both public and private institutions of higher education are fairly represented among the grant recipients.

"(d) **SPECIAL RULE.**—

"(1) **EQUITABLE DISTRIBUTION.**—Each institution of higher education or consortium receiving a grant under this subpart shall ensure that during the period of the grant there is an equitable distribution of fellowships under this subpart among underrepresented groups.

"(2) **CONSTRUCTION.**—Nothing in this section shall be interpreted to require any institution of higher education or consortium to grant preference or disparate treatment to the members of one group on account of an imbalance which may exist with respect to the total number or percentage of individuals of such group participating in or receiving the benefits of the program authorized in this subpart, in comparison with the total number or percentage of individuals of such group in any community, State, section, or other area.

"(e) **DEFINITION.**—For the purposes of this subpart, the term 'underrepresented group' means any group of individuals underrepresented in graduate education or the higher education professorate.

#### **"SEC. 952. APPLICATION.**

"(a) **APPLICATION REQUIRED.**—Each institution of higher education or consortium desiring a grant under this subpart shall submit an application to the Secretary at such time, in such manner and containing such information as the Secretary may by regulation reasonably require.

"(b) **CONTENTS.**—Each application submitted pursuant to subsection (a) shall contain—

"(1) the institution of higher education's or consortium's plan for identifying and recruiting

faculty and baccalaureate degree recipients who may participate in the program assisted under this subpart;

"(2) a description of the program or programs of doctoral study that the institution of higher education or consortium plans to offer in the institution's doctoral program;

"(3) the institution of higher education's or consortium's plan for using minority faculty and other faculty as advisors and academic resources in support of the program assisted under this subpart;

"(4) a description of other resources of the institution of higher education or consortium, including tuition waivers, assistantships or financial aid other than loans, that such institution or consortium shall make available to fellowship recipients; and

"(5) a description of the method such institution or consortium shall use to determine a student's financial need.

#### **"SEC. 953. FELLOWSHIP AGREEMENT.**

"Each recipient of a fellowship under this subpart shall enter into an agreement with the institution of higher education or consortium awarding such fellowship under which the fellowship recipient shall—

"(1) in the case of a fellowship recipient described in section 951(a)(1)(A), within a 5-year period after completing the doctoral degree for which the fellowship under this subpart was awarded, teach, for a period of not less than 2 years for each year for which financial assistance under this subpart was received, in a public or private nonprofit institution of higher education that has a significant minority enrollment;

"(2) in the case of a fellowship recipient described in section 951(a)(1)(B), within a 5-year period after completing the doctoral degree for which the fellowship under this subpart was awarded, teach, for a period of not less than 2 years for each year for which financial assistance under this subpart was received, in a public or private nonprofit institution of higher education;

"(3) agree to provide the Secretary with evidence of compliance with the provisions of paragraph (1) or (2); and

"(4) repay all or part of the fellowship received, plus interest, and if applicable reasonable collection fees, under regulations issued by the Secretary, in the event the conditions of paragraph (1) or (2) are not complied with, except as provided in section 955.

#### **"SEC. 954. FELLOWSHIP REPAYMENT PROVISIONS.**

"A recipient of a fellowship under this subpart found by the Secretary to be in noncompliance with the agreement entered into under section 953(1) or 953(2) shall be required to repay a pro rata amount of such fellowship assistance received, plus interest (but in no event at an interest rate higher than the rate applicable to loans in the applicable period under part B of title IV) and, where applicable, reasonable collection fees, on a schedule and at a rate of interest to be prescribed by the Secretary by regulations issued pursuant to this subpart.

#### **"SEC. 955. EXCEPTIONS TO REPAYMENT PROVISIONS.**

"(a) **DEFERRAL DURING CERTAIN PERIODS.**—A recipient of a fellowship under this subpart shall not be considered in violation of the agreement entered into pursuant to section 953 during any period in which the recipient—

"(1) is pursuing a full-time course of study related to the field of teaching at an institution of higher education;

"(2) is serving, not in excess of 3 years, as a member of the armed services of the United States;

"(3) is temporarily totally disabled for a period of time not to exceed 3 years as established by sworn affidavit of a qualified physician;

"(4) is unable to secure employment for a period not to exceed 12 months by reason of the care required by a spouse who is disabled;

"(5) is seeking and unable to find full-time employment for a single period not to exceed 12 months with an institution of higher education that has a significant minority enrollment;

"(6) is engaged in full-time employment as a teacher in a public or private nonprofit preschool, elementary or secondary school, or a public or private nonprofit preschool education program; or

"(7) satisfies the provisions of additional repayment exceptions that may be prescribed by the Secretary in regulations issued pursuant to this subpart.

"(b) **FORGIVENESS IF PERMANENTLY TOTALLY DISABLED.**—A recipient shall be excused from repayment of any fellowship assistance received under this subpart if the recipient becomes permanently totally disabled as established by the sworn affidavit of a qualified physician.

#### "SEC. 956. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated \$20,000,000 for fiscal year 1993 and such sums as may be necessary for each of the 6 succeeding fiscal years to carry out this subpart."

### TITLE X—POSTSECONDARY IMPROVEMENT PROGRAMS

#### SEC. 1001. POSTSECONDARY IMPROVEMENT PROGRAMS.

Title X of the Act (20 U.S.C. 1135 et seq.) is repealed.

### TITLE XI—PARTNERSHIPS FOR ECONOMIC DEVELOPMENT AND URBAN COMMUNITY SERVICE

#### SEC. 1101. REPEAL OF TITLE.

Title XI of the Act (20 U.S.C. 1136 et seq.) is amended to read as follows:

### "TITLE XI—URBAN COMMUNITY SERVICE

#### "SEC. 1101. FINDINGS.

"The Congress finds that—

"(1) the Nation's urban centers are facing increasingly pressing problems and needs in the areas of economic development, community infrastructure and service, social policy, public health, housing, education, environmental concerns, planning and work force preparation;

"(2) there are, in the Nation's eligible institutions, people with underutilized skills, knowledge, and experience who are capable of providing a vast range of services toward the amelioration of the problems described in paragraph (1);

"(3) the skills, knowledge and experience in these eligible institutions, if applied in a systematic and sustained manner, can make a significant contribution to the solution of such problems; and

"(4) the application of such skills, knowledge and experience is hindered by the limited funds available to redirect attention to solutions to such urban problems.

#### "SEC. 1102. PURPOSE.

"It is the purpose of this title to provide incentives to eligible institutions to enable such institutions to devise and implement solutions to pressing and severe problems in their communities.

#### "SEC. 1103. APPLICATION FOR URBAN COMMUNITY SERVICE GRANTS.

"(a) **APPLICATION.**—

"(1) **IN GENERAL.**—An eligible institution seeking assistance under this title shall submit to the Secretary an application at such time, in such form, and containing or accompanied by such information and assurances as the Secretary may require by regulation.

"(2) **CONTENTS.**—The application submitted pursuant to paragraph (1) shall—

"(A) describe the activities and services for which assistance is sought; and

"(B) include documentation of the formation of a consortium that includes, in addition to the

eligible institution, one or more of the following entities:

"(i) An urban school system.

"(ii) A local government.

"(iii) A business or other employer.

"(iv) A nonprofit institution.

"(3) **WAIVER.**—The Secretary may waive the consortium requirements described in paragraph (2) for any applicant who can demonstrate to the satisfaction of the Secretary that the applicant has devised an integrated and coordinated plan which meets the purpose of this title.

"(b) **PRIORITY IN SELECTION OF APPLICATIONS.**—The Secretary shall give priority to applications that propose to conduct joint projects supported by other local, State, and Federal programs.

"(c) **SELECTION PROCEDURES.**—The Secretary shall, by regulation, develop a formal procedure for the submission of applications under this title and shall publish in the Federal Register an announcement of that procedure and the availability of funds under this title.

#### "SEC. 1104. ALLOWABLE ACTIVITIES.

"(a) **IN GENERAL.**—Funds made available under this title shall be used to design and implement programs to assist urban communities to address pressing and severe problems.

"(b) **AUTHORIZED ACTIVITIES.**—Activities conducted with funds made available under this title may include research on, or planning and implementation of, resource exchanges, technology transfers, technical training, the delivery of services, or technical assistance in the following areas:

"(1) Work force preparation.

"(2) Urban poverty and the alleviation of such poverty.

"(3) Health care, including delivery and access.

"(4) Underperforming school systems and students.

"(5) Problems faced by the elderly in urban settings.

"(6) Problems faced by families and children.

"(7) Crime prevention and alternative interventions.

"(8) Urban housing.

"(9) Urban infrastructure.

"(10) Economic development.

"(11) Urban environmental concerns.

"(12) Other problem areas which participants in the consortium described in section 1103(a)(2)(B) concur are of high priority in the urban area.

#### "SEC. 1105. PEER REVIEW.

"The Secretary shall designate a peer review panel to review applications submitted under this title and make recommendations for funding to the Secretary. In selecting the peer review panel, the Secretary shall consult with officials of other Federal agencies and with non-Federal organizations to ensure that the panel membership shall be geographically balanced and be composed of representatives from public and private institutions of elementary, secondary, and higher education, labor, business, and State and local governments, who have expertise in urban community service or in education.

#### "SEC. 1106. DISBURSEMENT OF FUNDS.

"(a) **LIMITATION ON AMOUNTS.**—

"(1) **DURATION.**—Each grant awarded under this title may be awarded for a period not to exceed 3 years.

"(2) **ANNUAL AMOUNT.**—The Secretary shall not make a grant payment under this title which exceeds \$500,000 in any 1 year.

"(b) **EQUITABLE GEOGRAPHIC DISTRIBUTION.**—The Secretary shall award grants under this title in a manner that achieves equitable geographic distribution of such grants.

#### "SEC. 1107. DESIGNATION OF URBAN GRANT INSTITUTIONS.

"The Secretary shall publish a list of the eligible institutions which are awarded grants under

this title and shall designate these institutions of higher education as 'Urban Grant Institutions' for the duration of their grant award. The Secretary shall establish a national network of Urban Grant Institutions so that the results of individual projects achieved in one metropolitan area can then be generalized, disseminated, replicated and applied throughout the Nation.

#### "SEC. 1108. DEFINITIONS.

"As used in this title:

"(1) **URBAN AREA.**—The term 'eligible area' means a metropolitan statistical area having a population of not less than 150,000; or, in any State which does not have metropolitan statistical area which has such a population, the entity of the State having an agreement or submitting an application under section 1203 may, or, if no such entity has an agreement, the Secretary shall designate one urban area for the purpose of this title.

"(2) **ELIGIBLE INSTITUTION.**—The term 'eligible institution' means a nonprofit institution of higher education, or a consortium of such institutions, any one of which meets all the requirements of this paragraph, which—

"(A) is located in an urban area;

"(B) draws a substantial portion of its undergraduate students from the urban area in which such institution is located, or from contiguous areas;

"(C) carries out programs to make postsecondary educational opportunities more accessible to residents of such urban area, or contiguous areas;

"(D) has the present capacity to provide resources responsive to the needs and priorities of such urban area and contiguous areas;

"(E) offers a range of professional, technical, or graduate programs sufficient to sustain the capacity of such institution to provide such resources; and

"(F) has demonstrated and sustained a sense of responsibility to such urban area and contiguous areas and the people of such areas.

#### "SEC. 1109. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated \$15,000,000 for fiscal year 1993 and such sums as may be necessary for each of the 6 succeeding fiscal years to carry out the provisions of this title."

### TITLE XII—GENERAL PROVISIONS AND DEMONSTRATION PROGRAMS

#### SEC. 1201. DEFINITIONS.

Section 1201 of the Act (20 U.S.C. 1141) is amended by adding at the end the following new subsection:

"(i) **STATE HIGHER EDUCATION AGENCY.**—The term "State higher education agency" means the officer or agency primarily responsible for the State supervision of higher education."

#### SEC. 1202. SPECIAL CRITERIA FOR HIGH-RISK INSTITUTIONS.

Section 1203 of the Higher Education Act of 1965 (20 U.S.C. 1143) is amended by adding at the end the following new subsection:

"(g) **REVIEW OF INSTITUTIONS.**—

"(1) **IN GENERAL.**—(A) The relevant State licensing authority shall establish standards for the review of and review the institutions of higher education under its jurisdiction in accordance with the criteria set forth in subparagraph (B). Only institutions of higher education which meet the criteria described in subparagraph (B) shall be subject to the requirements set forth in this subsection.

"(B) The criteria for the review of institutions of higher education are as follows:

"(i) An annual default rate as defined in section 435(m) equal to or greater than 25 percent for the most recent year in which data are available.

"(ii) A limitation, suspension, or termination act by the Secretary against an institution pursuant to this Act during the preceding 5 years.



"(iii) A change of ownership of the institution that results in a change of control of such institution.

"(iv) Participation in the Federal student aid programs for less than 5 years.

"(v) A substantial number of student complaints related to the management or conduct of programs assisted under this Act.

"(2) GENERAL LICENSING REQUIREMENTS.—An institution of higher education which meets any of the criteria described in subparagraph (B) of paragraph (1) shall—

"(A) be prohibited from using the terms 'approval', 'approved', 'approval to operate', 'approved to operate', 'licensed', or 'licensed to operate' or similar words without stating clearly that such term only means compliance with minimum licensing standards and not an endorsement or recommendation by the State or licensing authority;

"(B) be required to maintain records for all enrolled and graduated students and conduct a reasonable inquiry to determine whether students who complete a vocational education and training course of instruction offered at such institution obtain employment within 6 months of graduation from such course in the occupation for which such course prepared the students; and

"(C) be prohibited from opening branch or satellite campuses unless such branch or satellite campus first has been approved by the relevant State licensing authority as complying with the provisions of this section.

"(3) FINANCIAL AND FIDUCIARY RESPONSIBILITIES.—An institution of higher education which meets any of the criteria described in subparagraph (B) of paragraph (1) shall be required to meet such financial and fiduciary responsibilities as required by the relevant State licensing authority in the following areas:

"(A) Sufficiency of operating funds.

"(B) A specified percentage or ratio of current assets to current liabilities of at least 1:1, which shall not include as an asset unearned tuition, intangible assets, or Federal or State student financial assistance for future disbursements.

"(C) A record of fiscal strength.

"(D) Independently audited financial reports.

"(E) Requirements that owners, directors, officers or persons in control of such an institution have never been found guilty in any criminal, civil, or administrative proceeding of violating any law regarding the obtaining, maintenance, or disbursement of Federal or State student financial aid funds.

"(F) The absence of unpaid financial liabilities involving the improper acquisition, expenditure, or refund of State or Federal student financial aid funds.

"(G) Maintenance of adequate records.

"(4) REQUIRED DISCLOSURE OF ENROLLMENT, RETENTION AND PLACEMENT DATA.—(A) The standards described in paragraph (1) shall require an institution of higher education which meets any of the criteria described in subparagraph (B) of paragraph (1) to provide to the student before executing any enrollment contract the following:

"(i) A copy of the enrollment contract.

"(ii) If such institution makes any claim, express or implied about future salary, including a claim that the student may be able to repay a student loan from the salary obtained, such institution shall provide to the student the percentage of students who graduate from such institution and who earn salaries at or above the claimed level within 6 months of completing the course.

"(iii) Passage rates on required State licensing examinations if such institution represents that the course may lead to employment in a related occupation.

"(iv) If such institution has offered the course for less than 1 year, such institution shall stipu-

late that it is unable to state how many students graduate, how many students find jobs, or how much money one can earn after finishing the course in question.

"(B) Such standards shall require the information described in subparagraph (A) to be based on a reasonable inquiry and documented through specific student records.

"(C) Such standards shall prohibit such an institution of higher education that has been in operation for less than 1 year from making claims regarding the future salary of graduates of such institutions.

"(D) Such standards shall require that enrollment, course completion and placement data be submitted to the relevant State licensing authority, and that such data may continue to be submitted to such authority according to whatever requirements such authority sets forth.

"(E) Such standards shall require such an institution of higher education, upon executing an enrollment contract, to provide the student with a notice of rights relating to course cancellation, tuition and fee refunds, and information regarding how the student can obtain information from the licensing authority regarding complaints and problems concerning such institution.

"(F) Such standards shall require such an institution of higher education to file annually with the licensing authority the completion, placement, and examination passage rates for students attending such institution and financial information demonstrating compliance with financial requirements required in paragraph (3).

"(G) Such standards shall require such an institution of higher education to—

"(i) file annually with the relevant State licensing authority an audit and a report, including financial statements conducted by a licensed certified public accountant;

"(ii) retain and make available the work papers used for the audit described in clause (i) for a period of 5 years; and

"(iii) within 6 months of the submission of each audit described in clause (i), submit a copy of the audit report to the Secretary.

"(5) STATE LICENSING REQUIREMENTS.—Such standards shall require an institution of higher education which meets any of the criteria described in subparagraph (B) of paragraph (1) and offers courses of instruction differing from the standards for State licensure in specific occupations to disclose the relevant State licensing authority's minimum licensure requirements and how the course differs from such requirements.

"(6) COURSE CANCELLATION POLICY.—(A) Such standards shall require an institution of higher education which meets any of the criteria described in subparagraph (B) of paragraph (1) to provide students with a description of the right to cancel a course or series of courses within specific time periods and under specific conditions set forth by the relevant State licensing authority.

"(B) Such standards shall require that—

"(i) such an institution of higher education provide all students, during the first class, a cancellation form indicating the date of the agreement and the number of days in which the course can be canceled without penalty or obligations; and

"(ii) the form described in clause (i) specify the student's responsibilities regarding cancellation.

"(7) REFUND POLICY.—Such standards shall require an institution of higher education which meets any of the criteria described in subparagraph (B) of paragraph (1) to provide students with a description of the right to withdraw from such institution at any time and receive a refund minus a reasonable registration fee not to exceed an amount set by the relevant State licensing authority.

"(8) CONTRACTS; REQUIRED DISCLOSURE.—Such standards shall require an institution of higher education which meets any of the criteria described in subparagraph (B) of paragraph (1) to include in each of its enrollment contracts—

"(A) a general description of the course and equipment required of the student;

"(B) the total number of classes, hours, or lessons required for completion of the course;

"(C) the total payment obligation for such course, including all fees, charges, and expenses;

"(D) a statement regarding the specific amounts for which the student is responsible, which shall appear immediately above the student's signature; and

"(E) the total charge for each item of equipment, separately stated and not to exceed such item's fair market value.

"(9) PROHIBITION AGAINST ENROLLING STUDENTS IN THE MIDDLE OF A COURSE.—Such standards shall prohibit an institution of higher education which meets any of the criteria described in subparagraph (B) of paragraph (1) from enrolling students in the middle of a course, suspending courses, or changing times or locations of such courses.

"(10) RECORDS ACCESS.—Such standards shall require—

"(A) an institution of higher education which meets any of the criteria described in subparagraph (B) of paragraph (1) to maintain accurate records for at least 5 years showing the names and local addresses of students, the courses of instruction offered, and the names, addresses, and qualifications of faculty to the extent practicable; and

"(B) such an institution to make all such records available for immediate inspection by the relevant State licensing authority, the designated State guaranty agency, or the Secretary.

"(11) INSTRUCTION; INSTRUCTIONAL MATERIALS.—Such standards shall prohibit an institution of higher education which meets any of the criteria described in subparagraph (B) of paragraph (1) from withholding instruction or materials from a student pending receipt of Federal or State student financial aid used to pay tuition.

"(12) PENALTIES; RECOVERY OF DAMAGES.—Such standards shall provide for penalties and recovery of damages as follows:

"(A) If an institution of higher education which meets any of the criteria described in subparagraph (B) of paragraph (1) violates any provision of this section in connection with any enrollment contract, the contract shall be considered unenforceable and a total refund of all charges incurred by the student pursuant to the enrollment period is required.

"(B) If such institution violates any provision of this section, a student may bring an action for recovery of damages, equitable relief, and attorney's fees against such institution.

"(C) A civil penalty of not more than twice the damages sustained by the student described in subparagraph (B) may be assessed if a court of competent jurisdiction in an action brought by such student finds that the violation is substantial or was willfully committed.

"(D) All penalties and recovery of damages described in this paragraph must be commenced within 3 years of the discovery of the facts regarding such institution's violation.

"(13) APPLICABILITY OF STATE LAW.—Notwithstanding any other provision of law, the relevant State licensing authority shall have the authority to develop and implement standards to comply with Federal law pertaining to institutions of higher education within the State which meet the criteria described in subparagraph (B) of paragraph (1).

"(14) APPROVAL BY THE SECRETARY.—In order for institutions of higher education in a State to

be eligible to participate in Federal student aid programs, the Secretary shall determine if standards adopted by the relevant State licensing authority are in compliance with the provisions of this section.

"(15) DEFINITIONS.—For the purposes of this section—

"(A) the term 'enrollment contract' means any contract, agreement, or other arrangement under which an individual agrees to attend, participate, or enroll in a course or program of study at an institution of higher education; and

"(B) the term 'relevant State licensing authority' means the State board, commission or agency designated by the appropriate State authority for the purpose of enforcing the licensing requirements described in this section."

**SEC. 1203. NATIONAL ADVISORY COMMITTEE ON INSTITUTIONAL QUALITY AND INTEGRITY.**

Section 1205 of the Act is amended to read as follows:

**"SEC. 1205. COMMITTEE ON INSTITUTIONAL QUALITY AND INTEGRITY.**

"(a) ESTABLISHMENT.—There is established in the Department a Committee on Institutional Quality and Integrity (hereafter in this section referred to as the 'Committee') which shall be composed of 15 members appointed by the Secretary from among individuals who are representatives of, or knowledgeable concerning, education and training beyond secondary education, including accreditation of institutions of higher education, the process of eligibility and certification of such institutions under title IV of this Act, and the provision of financial aid under title IV of this Act. The Secretary may also appoint to the Committee representatives of the general public serving on the National Advisory Committee on Accreditation and Institutional Eligibility (as such Committee was in existence on the date of enactment of the Higher Education Amendments of 1991).

"(b) TERMS OF MEMBERS.—Terms of office of each member of the Committee shall be 3 years, except that—

"(1) of the members first appointed to the Committee the Secretary shall designate—

"(A) 5 such members to serve for a term of 1 year;

"(B) 5 such members to serve for a term of 2 years; and

"(C) 5 such members to serve for a term of 3 years; and

"(2) any member appointed to fill in a vacancy occurring prior to the expiration of the term for which the member's predecessor was appointed shall be appointed for the remainder of such term.

"(c) FUNCTIONS.—The Committee shall—

"(1) advise the Secretary with respect to establishment and enforcement of the standards of accrediting agencies or associations under section 493;

"(2) advise the Secretary with respect to the recognition of a specific accrediting agency or association;

"(3) advise the Secretary with respect to the preparation and publication of the list of nationally recognized accrediting agencies and associations;

"(4) advise the Secretary with respect to the eligibility and certification process for institutions of higher education under title IV of this Act, together with recommendations for improvements in such process;

"(5) advise the Secretary with respect to the functions of the Secretary under sections 492 (d), (e) and (f), relating to State institutional integrity standards;

"(6) advise the Secretary with respect to the relationship between—

"(A) accreditation of institutions of higher education and the certification and eligibility of such institutions; and

"(B) State licensing responsibilities with respect to such institutions; and

"(7) carry out such other advisory functions relating to accreditation and institutional eligibility as the Secretary may prescribe.

"(d) MEETING PROCEDURES.—The Committee shall meet not less than twice each year at the call of the Chairman. The date of, and agenda for, each meeting of the Committee shall be submitted in advance to the Secretary for approval. A representative of the Secretary shall be present at all meetings of the Committee.

"(e) REPORT.—The Committee shall, not later than November 30 of each year, make an annual report through the Secretary to the Congress. The annual report shall contain—

"(1) a list of the members of the Committee and their addresses;

"(2) a list of the functions of the Committee;

"(3) a list of dates and places of each meeting during the preceding fiscal year; and

"(4) a summary of the activities, findings and recommendations made by the Committee during the preceding fiscal year.

"(f) DEFINITION.—As used in this section, the term 'institution of higher education' has the same meaning given that term by section 481(a).

"(g) TERMINATION.—Subject to section 448(b) of the General Education Provision Act, the National Advisory Committee on Accreditation and Institutional Eligibility shall continue to exist until September 30, 1998."

**SEC. 1204. DEMONSTRATION PROGRAMS.**

Title XII of the Act (20 U.S.C. 1141 et seq.) is amended—

(1) by amending the heading for title XII to read as follows:

**"TITLE XII—GENERAL PROVISIONS AND DEMONSTRATION PROGRAMS";**

(2) by inserting before the heading for section 1201 the following:

**"Subpart 1—General Provisions"; and**

(3) by adding at the end the following new subpart:

**"Subpart 2—Demonstration Programs**

**"SEC. 1221. LOAN FORGIVENESS FOR TEACHERS, INDIVIDUALS PERFORMING NATIONAL COMMUNITY SERVICE AND NURSES.**

"(a) STATEMENT OF PURPOSE.—It is the purpose of this section to encourage individuals to—

"(1) enter the teaching and nursing profession; and

"(2) perform national and community service.

"(b) DEMONSTRATION PROGRAM.—

"(1) IN GENERAL.—Notwithstanding any other provision of this Act, from amounts appropriated to carry out the provisions of part B of title IV, the Secretary, in consultation with the Secretary of Health and Human Services, shall carry out a demonstration program of assuming the obligation to repay a Stafford loan (a loan made, insured or guaranteed under part B of title IV of the Higher Education Act of 1965) (excluding loans made under sections 428A, 428B, or 428C) for any new borrower after October 1, 1993, who—

"(A) is employed as a full-time teacher—

"(i) in a school which qualifies under section 465(a)(2)(A) for loan cancellation for Perkins loan recipients who teach in such schools; and

"(ii) of mathematics, science, foreign languages, special education, bilingual education, or any other field of expertise where the State educational agency determines there is a shortage of qualified teachers;

"(B) agrees in writing to volunteer for service under the Peace Corps Act or under the Domestic Volunteer Service Act of 1973, or to perform comparable service as a full-time employee of an organization which is exempt from taxation under section 501(c)(3) of the Internal Revenue

Code of 1986, if the borrower does not receive compensation which exceeds the greater of—

"(i) the minimum wage rate described in section 6 of the Fair Labor Standards Act of 1938; or

"(ii) an amount equal to 100 percent of the poverty line for a family of two (as defined in section 673(2) of the Community Services Block Grant Act); or

"(C) is employed full-time as a nurse in a public hospital, a rural health clinic, a migrant health center, an Indian Health Service, an Indian health center, a Native Hawaiian health center or in an acute care or long-term care facility.

"(2) REGULATIONS.—The Secretary is authorized to issue such regulations as may be necessary to carry out the provisions of this section.

"(c) LOAN REPAYMENT.—

"(1) IN GENERAL.—The Secretary shall assume the obligation to repay—

"(A) 15 percent of the total amount of Stafford loans incurred by the student borrower during such borrower's last 2 years of undergraduate education for the first or second academic year in which such borrower meets the requirements described in subsection (a);

"(B) 20 percent of such total amount for such third or fourth academic year; and

"(C) 30 percent of such total amount for such fifth academic year.

"(2) CONSTRUCTION.—Nothing in this subsection shall be construed to authorize the refunding of any repayment of a Stafford loan.

"(3) INTEREST.—If a portion of a loan is repaid by the Secretary under this section for any year, the proportionate amount of interest on such loan which accrues for such year shall be repaid by the Secretary.

"(4) SPECIAL RULE.—In the case where a student borrower who is not participating in loan repayment pursuant to this section returns to an institution of higher education after graduation from an institution of higher education for the purpose of obtaining a teaching certificate, the Secretary is authorized to assume the obligation to repay the total amount of Stafford loans incurred for a maximum of 2 academic years in returning to an institution of higher education for the purpose of obtaining a teaching certificate or additional certification. Such Stafford loans shall only be repaid for borrowers who qualify for loan repayment pursuant to the provisions of this section, and shall be repaid in accordance with the provisions of paragraph (1).

"(d) REPAYMENT OF ELIGIBILITY LENDERS.—The Secretary shall pay to each eligible lender or holder for each fiscal year an amount equal to the aggregate amount of Stafford loans which are subject to repayment pursuant to this section for such year.

"(e) APPLICATION FOR REPAYMENT.—Each eligible individual desiring loan repayment under this section shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may reasonably require.

"(f) DEFINITIONS.—For the purpose of this section the term 'eligible lender' has the same meaning given such term in section 435(d).

"(g) EVALUATION.—

"(1) IN GENERAL.—The Secretary shall conduct, by grant or contract, an independent national evaluation of the impact of the program assisted under this part on the fields of teaching, nursing, and community service.

"(2) COMPETITIVE BASIS.—The grant or contract described in paragraph (1) shall be awarded on a competitive basis.

"(3) CONTENTS.—The evaluation described in this section shall—

"(A) assess whether the program assisted under this section has brought into teaching, nursing, and community service a significant



number of highly capable individuals who otherwise would not have entered such fields;

"(B) assess whether a significant number of students perform the service described in subsection (b) or opt to repay the loans instead of remaining in the career for which such student received loan repayment under this section;

"(C) identify the barriers to the effectiveness of the program assisted under this section; and

"(D) assess the cost-effectiveness of such program in improving teacher, nursing, and community service worker quality and quantity and the ways to improve the cost-effectiveness of such program.

"(4) **INTERIM EVALUATION REPORTS.**—The Secretary shall prepare and submit to the President and the Congress such interim reports on the evaluation described in this section as the Secretary deems appropriate, and shall submit such a final report by January 1, 1999.

"(5) **FUNDING.**—The Secretary shall reserve a total of not more than \$1,000,000 from the amount appropriated to carry out part B of title IV in fiscal years 1993 through 1999 to carry out this subsection.

**"SEC. 1222. EXCEPTIONAL PERFORMANCE IN LOAN COLLECTION BY ELIGIBLE LENDERS AND LOAN SERVICERS DEMONSTRATION PROGRAM.**

"(a) **DEMONSTRATION PROGRAM AUTHORIZED.**—The Secretary shall conduct a demonstration program, in accordance with the provisions of this section, designed to—

"(1) make a determination that certain eligible lenders and eligible servicers are eligible for designation of exceptional performance; and

"(2) reward such eligible lenders and eligible servicers by providing for guaranty agency payment of 100 percent of the unpaid principal and interest of all loans submitted for payment by such lender or servicer for the one-year period following receipt by such guaranty agency of the notification of designation under this section.

"(b) **PROGRAM REQUIREMENT.**—The program described in subsection (a) shall require—

"(1) the Secretary to—

"(A) determine that an eligible lender or a loan servicer has a compliance performance rating with respect to due diligence in the collection of student loans insured under part B of title IV for each year for which the determination is made which equals, or exceeds, 95 percent of all due diligence requirements with respect to such loans serviced during the period by the eligible lender, or loan servicer, and to designate the eligible lender or loan servicer, as the case may be, for exceptional performance; and

"(B) notify each appropriate guaranty agency of the eligible lenders and loan servicers designated under subparagraph (A);

"(2) a guaranty agency to pay each eligible lender or loan servicer designated under paragraph (1)(A) 100 percent of the unpaid principal and interest of all loans for which claims are submitted for payment by that eligible lender or loan servicer for the one-year period following the receipt by the guaranty agency of the notification of designation under such paragraph;

"(3) each eligible lender and loan servicer desiring a designation under paragraph (1)(A) to have a financial and compliance audit of the loan portfolio of such eligible lender or loan servicer, conducted annually, by a qualified independent organization or person in accordance with standards established by the Comptroller General and the Secretary which shall include a defined statistical sampling technique designed to measure the performance rating of the eligible lender or the loan servicer for the purpose of this paragraph;

"(4) each such eligible lender and loan servicer to submit the audit required by paragraph (3) to the Secretary and to each appropriate guaranty agency;

"(5) the Secretary to make the determination under paragraph (1)(A) based upon the audits submitted under paragraph (4) and submit the results of the determination to each appropriate guaranty agency;

"(6) a guaranty agency to review the Secretary's determination on the basis of the audit and other information in the possession of the guaranty agency and if the results of the audit are not persuasively rebutted by such other information, require the guaranty agency to inform the eligible lender or loan servicer that their application for designation as an exceptional eligible lender or loan servicer has been approved;

"(7) each such eligible lender and loan servicer to pay for all of the costs of the audits required by this subsection; and

"(8) designation as an exceptional eligible lender or loan servicer to be revoked by the guaranty agency upon 60 days' notice and an opportunity for a hearing before the guaranty agency upon a finding by the guaranty agency that the eligible lender or loan servicer has failed to maintain an overall level of regulatory compliance consistent with the audit submitted by the eligible lender or loan servicer under this subsection.

"(c) **DEFINITIONS.**—For the purpose of this section—

"(1) the term 'due diligence requirements' means the activities required to be performed by lenders on delinquent loans pursuant to section 682.411 of title 34, Code of Federal Regulations, (Due Diligence by Lenders in the Collection of Guaranty Agency Loans) and any related or successor regulations;

"(2) the term 'eligible loan' means a loan made, insured or guaranteed under part B of title IV;

"(3) the term 'loan servicer' means an entity servicing and collecting student loans which—

"(A) has substantial experience in servicing and collecting consumer loans or student loans;

"(B) has an independent financial audit conducted annually which is furnished to its clients;

"(C) has business systems which are capable of meeting the requirements of part B of title IV;

"(D) has adequate personnel who are knowledgeable about the student loan programs authorized by part B of title IV; and

"(E) does not have any owner, majority stockholder, director, or officer of the entity who has been convicted of a felony.

"(d) **SPECIAL RULE.**—Reimbursements of losses made by the Secretary on loans submitted for claim by an eligible lender or loan servicer designated for exceptional performance under this section shall not be subject to additional review by the Secretary or repurchase by the guaranty agency for any reason other than a determination by the Secretary that the eligible lender, loan servicer, or guaranty agency engaged in fraud or other purposeful misconduct in obtaining designation for exceptional performance.

**"SEC. 1223. NATIONAL STUDENT SAVINGS DEMONSTRATION PROGRAM.**

"(a) **STATEMENT OF PURPOSE.**—It is the purpose of this section to—

"(1) create a demonstration program to test the feasibility of establishing a national student savings program to encourage families to save for their children's college education and thereby reduce the loan indebtedness of college students; and

"(2) help determine the most effective means of achieving the activities described in paragraph (1).

"(b) **DEMONSTRATION PROGRAM AUTHORIZED.**—

"(1) **IN GENERAL.**—The Secretary is authorized to award a demonstration grant to not more than 5 States to enable each such State to con-

duct a student savings program in accordance with this section.

"(2) **AMOUNT OF GRANT.**—The amount of each grant awarded pursuant to paragraph (1) shall be computed on the basis of—

"(A) a Federal match in an amount equal to the initial State deposit into each account established pursuant to subsection (c)(2)(B), except that such Federal match shall not exceed \$50 per child; multiplied by

"(B) the number of children participating in the program assisted under this part.

"(3) **PRIORITY.**—In awarding grants under this section the Secretary shall give priority to States proposing programs that establish accounts for a child prior to the age of compulsory school attendance in the State in which such child resides.

"(4) **SPECIAL CONSIDERATION.**—In awarding grants under this section the Secretary shall give special consideration to States—

"(A) that permit employers to use pretax income in making contributions to a child's account; and

"(B) that provide assurances that interest earned in accounts shall be exempt from State taxes.

"(c) **APPLICATION.**—

"(1) **IN GENERAL.**—Each State desiring a grant under this section shall submit an application to the Secretary at such time, in such manner, and accompanied by such information as the Secretary may reasonably require.

"(2) **CONTENTS.**—Each application submitted pursuant to paragraph (1) shall—

"(A) describe the student savings program to be established and the number of children to be served;

"(B) contain assurances that an account shall be established for each child participating in the program assisted under this section and set forth the initial amount to be deposited into each such account by the State;

"(C) contain assurances that deposits into such account shall be invested in a responsible manner that provides a reasonable rate of return;

"(D) contain assurances that funds in the account shall only be used to pay the cost of attendance (as such term is defined in section 472) at any eligible institution (as such term is defined in section 435(a));

"(E) describe the amount of the Federal contribution requested for starting each child's account, which shall not exceed \$50 per child participating in the program;

"(F) describe the age at which children in the State may establish such accounts;

"(G) indicate whether the program will be open to all children, regardless of family income, or only to disadvantaged children;

"(H) describe how additional deposits into each account from the State or other resources will be earned by a child for performance of community service, academic performance, or other activities or achievements;

"(I) contain assurances that contributions in an account shall be refundable to the contributor without interest if the child dies or is otherwise unable to attend college;

"(J) contain assurances that the State shall encourage individuals and organizations to make contributions to a child's account;

"(K) contain assurances that the State shall provide incentives to employers to make contributions to a child's account and participate in the program assisted under this section; and

"(L) contain assurances that if a child leaves the State in which such child has an account, then such child shall retain the right to make contributions to the account, except that the State shall not be required to make any additional deposits for the child's exemplary activities.

"(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated \$10,000,000 for fiscal year 1993 and such sums as may be necessary for each of the 6 succeeding fiscal years to carry out this section."

#### TITLE XIII—EDUCATION ADMINISTRATION

##### SEC. 1301. STUDIES.

Part A of title XIII of the Act (20 U.S.C. 1091) is amended—

(1) by redesignating section 1307 as section 1308; and

(2) by inserting after section 1306 the following new section:

##### "SEC. 1307. STUDIES.

"(a) ROLE OF GUARANTY AGENCIES.—

"(1) STUDY.—The Secretary shall review the role of guaranty agencies within the Robert T. Stafford Student Loan Program by examining the administrative and financial operations of such agencies and the relationships between guaranty agencies and State governments.

"(2) REPORT.—The Secretary shall report to the Congress within 1 year of the date of enactment of this Act on the study described in subsection (a). Such report shall consider and make recommendations concerning the feasibility of—

"(A) increasing the role of guaranty agencies in oversight and licensing of proprietary trade schools under the Robert T. Stafford Student Loan Program;

"(B) strengthening Federal disincentives for high default rate portfolios;

"(C) consolidating guaranty agencies regionally or otherwise; and

"(D) eliminating the role of guaranty agencies within the Robert T. Stafford Student Loan Program.

"(b) STATUTORY PROTECTIONS.—The Secretary of Education shall report to the Congress within 180 days of the date of enactment of the Higher Education Amendments of 1991 on the advisability of statutorily protecting officials of accrediting agencies involved in the performance of legitimate Robert T. Stafford Student Loan Program activities."

#### TITLE XIV—AMENDMENTS TO OTHER LAWS

##### SEC. 1401. HIGHER EDUCATION TECHNICAL AMENDMENTS.

Subsection (c) of section 3 of the Higher Education Technical Amendments of 1991 (Public Law 102-26) is amended by striking "that are brought before November 15, 1992".

##### SEC. 1402. GENERAL EDUCATION PROVISIONS ACT.

The General Education Provisions Act (20 U.S.C. 1221 et seq.) is amended—

(1) in subsection (b) of section 453—

(A) in paragraph (1), by striking "State or local educational agency" each place such term appears and inserting "recipient";

(B) in paragraph (2)—

(i) in the matter preceding subparagraph (A), by striking "State or local educational agency" and inserting "recipient"; and

(ii) in clause (i) of subparagraph (B), by striking "State or local educational agency" and inserting "recipient";

(C) in paragraph (4), by striking "State or local educational agency" and inserting "recipient";

(D) in paragraph (5)—

(i) in the matter preceding subparagraph (A), by striking "State or local educational agency" and inserting "recipient";

(ii) in subparagraph (B), by striking "State educational agency" and inserting "recipient"; and

(iii) in subparagraph (C), by striking "State or local educational agency" and inserting "recipient"; and

(E) in paragraph (6), by striking "State educational agencies" and inserting "recipients"; and

(2) in paragraph (2) of section 460, by inserting "(except programs authorized under subpart 4 of part A of title IV of the Higher Education Act of 1965)" after "1965".

##### SEC. 1403. UNITED STATES INSTITUTE OF PEACE.

(a) AUTHORIZATION OF APPROPRIATIONS.—Subsection (a) of section 1710 of the United States Institute of Peace Act (22 U.S.C. 4609(a)) is amended to read as follows:

"(a) AUTHORIZATION OF APPROPRIATIONS.—

"(1) IN GENERAL.—For the purpose of carrying out this title, there are authorized to be appropriated \$15,000,000 for fiscal year 1993 and such sums as may be necessary for each of the 6 succeeding fiscal years.

"(2) AVAILABILITY.—Funds appropriated pursuant to the authority of paragraph (1) shall remain available until expended."

(b) SPARK M. MATSUNAGA SCHOLARS PROGRAM.—Subsection (b) of section 1705 of the United States Institute of Peace Act (22 U.S.C. 4604(b)) is amended—

(1) by striking "and" at the end of paragraph (8);

(2) by striking the period at the end of paragraph (9) and inserting a semicolon and "and"; and

(3) by adding at the end the following new paragraph:

"(10) establish the Spark M. Matsunaga Scholars Program, which shall include the provision of scholarships and educational programs in international peace and conflict management and related fields for outstanding secondary school students and the provision of scholarships to outstanding undergraduate students, with program participants and recipients of such scholarships to be known as 'Spark M. Matsunaga Scholars'."

(c) CONTRACTS AND PRIVATE GIFTS AND CONTRIBUTIONS.—Subsection (h) of section 1705 of the United States Institute of Peace Act (22 U.S.C. 4604(h)) is amended—

(1) by amending paragraph (2) to read as follows:

"(2) The Institute and the legal entity described in section 1704(c) may not accept any gift, contribution or grant from a foreign government, any agency or instrumentality of such government, any international organization, or any corporation or other legal entity in which natural persons who are nationals of a foreign country own, directly or indirectly, more than 50 percent of the outstanding capital stock or other beneficial interest in such legal entity"; and

(2) in paragraph (3) by striking "individual." and inserting "individual, except such Institute or legal entity may accept such a gift or contribution to—

"(A) purchase, lease for purchase, or otherwise acquire, construct, improve, furnish, or maintain a suitable permanent headquarters, any related facility, or any site or sites for such facilities for the Institute and the legal entity described in section 1704(c); or

"(B) provide program-related hospitality, including such hospitality connected with the presentation of the Spark M. Matsunaga Medal of Peace."

##### SEC. 1404. LAW ENFORCEMENT UNIT RECORDS.

(a) IN GENERAL.—Clause (ii) of section 438(a)(4)(B) of the General Education Provisions Act (20 U.S.C. 1232g(a)(4)(B)(ii)) is amended to read as follows:

"(ii) records maintained by a law enforcement unit of the educational agency or institution that were created by that law enforcement unit for the purpose of law enforcement."

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect on the date of enactment of this Act.

#### TITLE XV—NATIONAL CENTER FOR THE WORKPLACE

##### SEC. 1501. PURPOSE.

It is the purpose of this title to address the problems created by the simultaneous convergence of broad economic, social, cultural, political, and technological changes in the workplace through a national center administered by the Department of Labor that will join together workplace experts from America's best institutions of higher education with experts from the public and private sectors to conduct research, share information, and propose remedies.

##### SEC. 1502. ESTABLISHMENT.

(a) ESTABLISHMENT.—

(1) IN GENERAL.—The Secretary of Labor is authorized to award a grant, on a competitive basis, to an eligible consortium to enable such consortium to establish the National Center for the Workplace (hereafter in this title referred to as the "Center").

(2) MATCHING FUNDS.—In order to receive the grant described in paragraph (1) the eligible consortium shall provide matching funds from non-Federal sources equal to 25 percent of the funds received pursuant to such grant.

(3) GRANT COMPETITION AND APPLICATION.—Each eligible consortium desiring to compete for the grant described in paragraph (1) shall submit an application to the Secretary of Labor at such time, in such manner and accompanied by such information as the Secretary of Labor may reasonably require.

(b) DEFINITIONS.—For the purpose of this title:

(1) The term "eligible consortium" means a consortium of institutions of higher education in the United States. The eligible consortium shall be represented and coordinated by a host institution of higher education that meets all of the following criteria:

(A) Broad collective knowledge of and demonstrable experience in the wide range of interconnected employment and workplace issues.

(B) A nationally recognized faculty that, collectively, demonstrates a nonpartisan research and policy perspective joining the several relevant workplace disciplines (labor economics, industrial relations, collective bargaining, human resource management, sociology, psychology, and law) in a multidisciplinary approach to workplace issues.

(C) Established credibility and working relationships with employers, unions, and government agencies on a national scale, and established means of providing education and technical assistance to each of the above groups that include publications, state-of-the-art electronic and video technology, and distinguished extension/outreach programs operating on a national and international level.

(2) The term "institution of higher education" has the same meaning given to such term by section 1201(a) of the Higher Education Act of 1965.

##### SEC. 1503. USE OF FUNDS.

(a) CENTER ACTIVITIES.—Grants awarded under this title may be used to establish and operate the Center, to bring together major independent researchers, from the institutions of higher education participating in the eligible consortium, focused on the most significant workplace problems with the aim of analysis and synthesis of policy implications and dissemination of findings, and to support the following activities:

(1) The coordination and funding of research activities of the institutions of higher education participating in the eligible consortium for collaborative collection and evaluation of data on changes and trends in the workplace and in the labor force, on established and emerging public policy issues, on the economic and occupational structures, and on work organizations and employment conditions.



(2) The analysis of the public policy implications of social and demographic changes in the United States as they relate to the workplace.

(3) The conduct of seminars for Federal and State policymakers on policy implications of the Center's findings. Such seminars shall be held at least once each year. In addition, the Center shall utilize electronic technology, such as computer networks and video conferencing, to convey the cumulative value of the Center's activities from year to year and to foster continuous exchange of ideas and information.

(4) The conduct of a National Conference once each year for the leaders of business and organized labor in the United States designed to convey the cumulative value of the Center's activities and to foster an exchange of ideas and information.

(5) The evaluation of the economic and social implications of national and international workplace and employment issues such as the impact of new technologies on job structure and the work organization, new employment concepts in American industry, alternative workplace policies and practices, and existing and proposed government policies.

(6) The provision of ready access to the Center's collective expertise for policy officials in the Federal and State governments and representatives of private and public sector organizations through meetings, publications, special reports, video conferences, electronic mail and computer networks, and other means to share up-to-date information on workplace and employment issues, practices, and innovations, the most promising options, and guidance in management of the change process.

(7) The development of programs, curricula, and instructional materials for colleges, universities, and other educational institutions designed to impart the knowledge and skills required to promote innovations in the design of work and employment conditions that enhance organizational performance and meet worker needs.

(8) The development and administration of a national repository of information on key workplace issues that can be readily accessed by the public and private sector.

(b) **FELLOWSHIPS.**—Grants awarded under this title may also be used to provide graduate assistantships and fellowships at the Center to encourage graduate study of the field of industrial and labor relations and to encourage graduate research in areas that are seen as critical to national competitiveness.

#### SEC. 1504. BOARD OF ADVISORS.

(a) **BOARD.**—There shall be appointed a Board of Advisors to the Center that shall consist of representatives of the private and public sectors and of the institutions of higher education participating in the eligible consortium. Two members shall be appointed by the Chair of the House of Representatives Committee on Education and Labor, and two members shall be appointed by the Chair of the Senate Committee on Labor and Human Resources. Two members shall be appointed by the Secretary of Education. Four members shall be appointed by the Secretary of Labor, of which two shall be from organizations that represent employers and two shall be from organizations that represent trade unions. In addition, the President of each institution of higher education participating in the consortium shall appoint one member to the Board. Other members may be added to the Board by majority vote of the Board's appointed members.

(b) **MEETINGS AND RESPONSIBILITIES.**—The Board of Advisors shall meet from time to time, but no less than twice each year, to review and advise the Center with respect to all aspects of its program. The Board shall submit an annual report to the Secretary of Education and the

Secretary of Labor on the Center's activities and accomplishments.

#### SEC. 1505. GIFTS AND DONATIONS.

The Center is authorized to receive money and other property donated, bequeathed, or devised to the Center with or without a condition of restriction, for the purpose of furthering the activities of the Center. All funds or property given, devised, or bequeathed shall be retained in a separate account, and an accounting of those funds and property shall be included in the annual report of the Board of Advisors to the Secretary of Education and Secretary of Labor.

#### SEC. 1506. AUTHORIZATION OF APPROPRIATIONS.

(a) **IN GENERAL.**—There are authorized to be appropriated \$2,500,000 for fiscal year 1993 and such sums as may be necessary for each of the 6 succeeding fiscal years.

(b) **AVAILABILITY.**—Funds appropriated pursuant to the authority of subsection (a) shall remain available until expended.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Might I say to the distinguished chairman, I have to be away from the Senate for a while, and I wonder if I might speak for a few moments in my morning business.

Mr. PELL. Please.

Mr. DOMENICI. I ask unanimous consent that I be permitted to speak as in morning business for no more than 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### CBO STUDY

Mr. DOMENICI. Mr. President, I rise to talk about an event that occurred yesterday.

Yesterday, the Congressional Budget Office released a study requested by Senator DOLE, the Republican leader, in July 1990. The bottom line, from my reading of the CBO study, says, "When pounding swords into plowshares, sometimes the double edge of the sword will cut."

I ask unanimous consent that a copy of the letter requesting the study to Senator DOLE from the Congressional Budget Office be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,

OFFICE OF THE REPUBLICAN LEADER,

Washington, DC, July 10, 1990.

Mr. ROBERT D. REISCHAUER,

Director, Congressional Budget Office, House Office Building Annex, Washington, DC.

DEAR BOB: I am concerned that a too rapid decline in our defense spending may precipitate severe economic dislocations on local, regional, and potentially, the national economy. While our defense spending should be predicated upon our national security needs, it is the responsibility of Congress to fully assess the economic ramifications of the defense budget proposals now under consideration and select a course for our defense spending with all of the facts at hand. Therefore, I am writing to ask the Congressional Budget Office to conduct an analysis of the effect that these defense budget proposals would have on the economy as a whole while

paying special attention to the effects on selected regional and local economies.

This analysis would assume funding allocations, program cuts/terminations, base closures and manpower reductions as provided by the Department of Defense Comptroller for each of the budget proposals analyzed. The baseline economic assumptions of interest rates, GNP, employment and other required elements of economic modeling should be consistent with current CBO assumptions.

This study would seek to quantify the impact on employment, financial markets, state and federal revenue, and other economic indicators both direct and indirect that would result from the adoption of the specified budget proposals.

Because the Congress is currently deliberating budget resolutions in both the House and Senate, the results of this study are needed as quickly as possible. Dan Stanley, from my staff, will assist you and answer any questions that you may have on this matter. Please feel free to contact him at 224-6521.

Sincerely,

BOB DOLE,  
U.S. Senate.

Mr. DOMENICI. Let me read a portion of that letter for the RECORD as part of my verbal remarks here to the U.S. Senate.

While our defense spending should be predicated upon our national security needs, it is the responsibility of Congress to fully assess the economic ramifications of the \*\*\* defense spending with all the facts at hand.

That is a portion of Senator DOLE's letter to the CBO.

He says:

Therefore, I am writing to ask the Congressional Budget Office to conduct an analysis of the effect that these defense budget proposals would have on the economy as a whole, while paying special attention to the effects on selected regional and local economies.

Mr. President, I do not believe Senator DOLE, the distinguished Republican leader, told the Congressional Budget Office what to select, where to select it, but rather, he said, give us an overview and then give us some selected regional and local economies and the effect thereon.

The Congressional Budget Office did what it was asked to do. I do not always agree with the Congressional Budget Office's analyses. As an example, I understand that the chairman of the Budget Committee, Senator SASSER, reviewed the CBO analysis this morning relating to the President's proposal to change the accounting system for the Pension Benefit Guaranty Corporation. That analysis by the Congressional Budget Office is not going to make Republicans happy, is not going to make the President happy, and I do not think we are going to come down here and say that the Congressional Budget Office has turned partisan because they make that report. Republicans have always had problems with the Congressional Budget Office and the Joint Tax Committee on their analysis of the distributional effect of

the capital gains tax proposals. I do not believe, as they make those, that we contend they do so because they are told to do that by someone on the other side of the aisle.

So I am somewhat taken aback by the majority leader's statement this morning that somehow this CBO report on the impact of defense cuts was somehow a political effort against three Democratic leaders in the Congress.

What has the majority leader upset is one small part of this report, and not really the major part of it, where CBO selected three communities and three economies, local in nature, to determine what the different defense cuts would do to those areas. I think we have all been interested in that kind of analysis. I see the distinguished Presiding Officer, and I believe we would like very much to have the CBO, or somebody neutral and competent, do the economic impact with reference to his State in one of his communities as it pertains to one of the very controversial cuts in the President's budget.

These three different areas of the country—the west coast, east coast, and in between—are different and unique economies; we have an urban economy, a retirement and high growth area, and a relatively rural area of this country. The results were different. The study will speak for itself. Depending on the level of defense cuts selected, different communities will be affected differently. Some will be able to absorb the cuts easier than others.

The Republican leader did not select the areas. In fact, the study, if you look at it beyond the three cities and their surrounding areas, finds that the State of Kansas, his State—and I might add, New Mexico, the State that I represent—suffers significantly under proposals to cut defense. In fact, they are highly ranked among the States, on the high side, in terms of detrimental effect.

I might say, so everybody will understand, and I am sure they know it, but let us call it to everybody's attention, Maine is also represented by a Republican Senator, Senator COHEN. I assume he is just as adversely affected by the economic analysis of his community and the ironworks and its possible shutdown as is the distinguished majority leader.

I might also say that St. Louis is said to be an area, that is the area of the Democratic leader from the House. For the record, it is also part of the area of Senator BOND, who is running for reelection as a Republican Senator, and Senator DANFORTH, who is a Republican Senator. I think it is in their States, and they are concerned, also.

I might also suggest that in California, while the specific study is in fact the district occupied by the chairman of the Budget Committee in the House,

it is also a State represented by a Republican Senator, Senator SEYMOUR. I really do not believe they were selected for anything other than the kind of economy and the potential impact of defense cuts.

So, simply, I ask that before the majority leader takes out after the Congressional Budget Office and suggests that Republicans somehow put CBO up to the study with such suggestions as we might have a good deal on the Brooklyn Bridge for those who think otherwise, as the majority leader said, I think we should examine the record. Do not kill the messenger because you do not like the message.

Under many of the proposals, chiefly led by Democratic Senators and the Democratic leader, proposals to cut defense in very large proportions over the President's plan, will cause serious economic woes to the country and to many regions.

I regret to say that many areas may "take a bath." "When pounding these swords into plowshares, the double edge of the sword sometimes cuts."

Mr. President, I want to take a couple minutes to talk about the Democratic economic recovery plan promulgated by the U.S. House, which is supposed to create jobs for Americans. The Washington Post, on Wednesday, had an editorial that is rather astounding. The headline says, "The Wrong Way on Taxes." It then proceeds to say precisely what we have been saying on this side, and what the Senator from New Mexico and the Senator from Kansas have been saying: Put an across-the-board middle-income tax cut for 2 years, with a new tax permanent in nature going on indefinitely, sort of a rent a tax cut, but putting a permanent tax increase of \$90-plus billion on some Americans is not an economic plan to create jobs. It is a political stimulus directed at producing votes favorable to those who propose the tax cut. I ask unanimous consent that that article and also a well-written editorial from the Albuquerque Journal on February 16, 1992, be printed in the RECORD: "End Economic Politics."

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Feb. 19, 1992]

#### THE WRONG WAY ON TAXES

The House Democratic caucus is scheduled to give its opinion today of the tax bill pasted together last week by the Ways and Means Committee Democrats. If the party stands for anything but buying votes in an election year at the expense of future deficits, the decision ought to be easy. This is a shapeless bill, itself the product of vote-buying within the committee. It violates some of the Democrats' own supposed precepts and in the long run will likely hurt more than help the economy while reducing either party's ability to govern. If there's got to be a tax bill at all, as apparently there does, the caucus should tell the committee members to start over.

The committee members claim the bill is paid for. That's true only on paper, and even the paper is thin. First you have to suspend disbelief and accept that next election year Congress will cancel the middle-class tax credit—expressed as an offset to Social Security taxes—that this year it feels compelled to grant. Then you must suspend the budget rules as well. The Democrats themselves acknowledge that the bill wouldn't pay for itself in the first two years, when the theoretically temporary middle-class benefit would be greater than the permanent tax increase on the rich that they propose to finance it. That short-term increase in the deficit and stimulus of the weak economy is part of their plan. Only after the successor Congress let the credit lapse would fiscal responsibility be achieved, over five or six years. But that's always when fiscal responsibility is to be achieved—later.

Meanwhile, the Democrats would also give up whatever high ground they possess on the issue of capital gains as well. An indexing provision that they have put in this bill would over time be about as generous a capital gains tax cut as the president has proposed. What's left to argue about except the terms of delivery? The gains cut was put in the bill to win votes, but it would weaken the bill on grounds of fairness as well as on grounds of responsibility while doing little for the economy. The Democrats say that the social objective of the bill is to move money from the rich who don't need it to a middle class that does. Then they cancel the middle-class tax credit after two years and leave in place the gains cut that would go mainly to the rich? The long-term effect would be to increase taxes on the rich to pay for a tax cut mainly for the rich and for a permanent cut in the corporate tax rate, which was also put in the bill. Is that bowl of gray oatmeal what the Democrats are for?

This bill is part of a bidding contest that can only go in the wrong direction. Already the House Democrats have adopted a version of the president's capital gains tax proposal, while he has adopted a version of their proposed middle-income tax cut. The Senate waits in the wings with proposals of its own. The caucus needs to cut everyone's losses, including the Democrats'. Just say no.

[From the Albuquerque Journal, Feb. 16, 1992]

#### END ECONOMIC POLITICS

The nation's economic signals continue to be mixed as an election-spooked Congress grasps for an election-year tax cut panacea.

On the bright side, retail and auto sales are up; housing starts and sales are strong; new unemployment claims are down; wholesale prices are declining and economic indexes are headed slowly upward. Retail sales picked up 0.6 percent in January, which some analysts say signals a trend which could begin to reduce inventories and spur production.

On the cloudy side, industrial production is down 0.9 percent; business inventories are up; and business sales fell 1.7 percent in December for the sharpest decline since a 2.2 percent fall in December 1990. If inventories increase in relation to sales, production could be cut back even more and workers laid off as businesses try to reduce their backlogs.

Analysts point out that the 1.53 inventories-to-sales ratio nearly matches the average ratio for the past 40 years and therefore is not cause for alarm. During the severe recessions of 1974-75 and 1981-82, the average inventories-to-sales ratio topped 1.70.



Still, the mixed economic figures seem to suggest some hope that an economic upturn is under way. The economic situation does not support a largely token tax cut for the middle class—which would either further build the menacing federal deficit or require a corresponding tax hike on the wealthy. The Democratic tax plan—to grant a tax credit of \$200 per wage earner and to impose a new 35 percent tax rate on high income people and a 10 percent surtax on millionaires—might buy votes for candidates, but it won't add a thing to getting the economy moving again. In fact, uncertainty about pending tax hikes could postpone or retard spending and investment decisions by that segment of the economy central to getting things moving.

Congress should act upon parts of President Bush's tax plan, especially those pertaining to investment tax credits and credits for some home buyers—things that would trigger economic activity to justify their cost to the federal treasury.

Tinkering with the economy during an election-year recession is probably inevitable as both parties in Congress and President Bush jockey for political advantage. It doesn't make economic sense, however, to needlessly widen the deficit when signs point toward a gradual recovery.

Broad-based tax relief for the middle class, while richly justified on the grounds of fairness, is not possible in the current economic conditions, if Congress and the White House are to keep faith with the economic imperative of controlling the deficit.

#### ECONOMIC PLAN

Mr. DOMENICI. Mr. President, I would like now to make one new observation about the Democratic plan coming out of the House leadership for economic recovery and jobs for America. One other observation that has not yet been made.

It now becomes a reality that when you see the final proposal, Mr. President, it had been kind of pieced together and then it finally got into one bill and it finally got analyzed in depth. In 1992 and 1993 the proposal for new jobs for Americans, an economic sustained economic growth, will reduce taxes, taken into the United States, is a total tax cut in the first 2 years of \$35 billion, about \$34.5 million, or some such sum, and I round it to 35, and I like everyone want to know what it means.

It means that if that were to become law, let us say over a President's veto, there would then be a sequester under the existing law of the land, a sequester to pick up the difference in the increased deficit of \$35 billion. That is what that bill would do, increase the deficit by \$35 billion, and I have a list of the mandatory across-the-board cuts that would follow forth with under the current budget policies of the Nation.

I will just randomly tick off the mandatory entitlement programs that will be cut across the board under the proposals that the U.S. House, Democratic-led House, says will be the economic recovery plan.

Sequester amount in billions of dollars: Commodity Credit Corporation, 10.5; family support payments to States, 1.8; social services block grants for poor, elderly, and disabled, 2.7.

These are billions of dollars taken off those programs to make up for the increased deficit of that master plan for economic recovery and jobs.

Mr. President, I ask unanimous consent that a detailed list of potential impact of the \$34.4 billion sequester preliminary estimates be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

#### Potential impact of a \$34,400,000,000 sequester— Preliminary estimates

Program and sequester impact	Billions <sup>1</sup>
Mandatory programs subject to special sequester rules:	
Medicare (Maximum sequester=4 percent of payments to hospitals and M.D.'s): Would cut payments to physicians and hospitals by 4 percent, but beneficiaries would be liable for unpaid balances unless providers accept reduced amounts as payment in full .....	3.8
Guaranteed student loans: Would effectively raise the interest rate on student loans—by reducing the special allowance for lenders by one-quarter percentage point to 7.95 percent and increasing the origination fee on Stafford loans paid by recipients by one-half percentage point .....	(2)
Vocation rehabilitation: Eliminates increases to keep up with inflation .....	.1
Foster care/adoption assistance: Reduce matching payments for those States that have increases in payment rates planned for fiscal year 1993 .....	(2)
Mandatory programs subject to across-the-board sequester rules: Because many programs are exempt from sequester, those that are not would have to be cut by 100 percent. This across-the-board sequester would eliminate all new support in 1993 (mandatory only) for the following programs:	
Commodity Credit Corporation: Crop payments to farmers for the 1993 crop year would be eliminated .....	10.5
Social Services Block Grants: Poor, elderly, and disabled could lose support services such as meals on wheels and home health aids. Child care assistance could also be cut .....	2.7
Family support payments to States: Benefits eliminated .....	1.8
Interim assistance to States for legalization: No SLIAG payments to help States cope with immigrants .....	.8
AFDC work programs: Would throw many jobless AFDC recipients out of work training programs .....	.7
VA Housing Loan Program: No VA Home Loan Program .....	.6
Veterans' education, readjustment benefits—Veterans' education would be interrupted. Disabled veterans would lose special support assistance .....	.6
FHA General and Special Risk Insurance Fund liquidating account (insurance claims) .....	.5

Program and sequester impact	Billions <sup>1</sup>
Payments to States for Mineral Leasing Act: Massive cut in funds States use for schools and roads .....	.5
Justice activities financed by immigration and border fees .....	.5
Forest Service permanent appropriations .....	.4
Customs Forfeiture Fund, salaries and expenses, unclaimed/abandoned goods fund .....	.3
Assets Forfeiture fund: Would reduce resources available to fight the war on drugs and crime .....	.3
Forest Service, Cooperative Work Trust Fund .....	.3
Payments to Japanese Internees Agricultural Marketing Service, funds for strengthening markets, income and supply (sec. 32) .....	.2
Rehabilitation services and handicapped research .....	.2
Other .....	2.1
Programs funded by use of offsetting collections subject to sequester .....	3.9
Discretionary across-the-board sequester percentages:	
Nondefense programs: 1.5 percent;	
Defense programs: 1.3 percent (Assumes military personnel exempt) .....	3.3
(2) Total, outlay reductions .....	34.4

<sup>1</sup> Sequester amount (fiscal year 1993 outlays).

<sup>2</sup> \$50,000,000 or less.

<sup>3</sup> CCC outlays include \$6,000,000,000 of 1994 outlays associated with the 1993 crop year sequester.

NOTE.—If a sequester of more than \$31,100,000,000 is required, then a deficit sequester to reduce discretionary programs would be necessary.

#### PRIVILEGE OF THE FLOOR—

S. 1150

Mr. DOMENICI. Mr. President, I ask unanimous consent that Gemma Weiblinger, a fellow assigned to the staff of the Senate Budget Committee, be granted privileges during the consideration of S. 1150, the Higher Education Authorization Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. I yield the floor.

The PRESIDING OFFICER. The time of the Senator from New Mexico has expired.

#### A TIME FOR BOLDNESS

Mr. SANFORD. Mr. President, I can say that without any question the people of my State are deeply worried about the recession and fear it will get worse.

It seems to me that the President is attempting to direct attention to the process instead of the substance, so we see the date of passage become more important than what is to be passed.

Mr. President, I come to the Senate Chamber today to take a stand for boldness, for leadership, for swift action, and for the kind of vision that sees America in its people and their hopes. What our duty demands of us is

that we shape policies that create jobs. Jobs are the bedrock of every family, not little charts in the Commerce Department, but life itself. Mr. President, I think the White House economic recovery proposals sent to Congress are too little and too timid.

Before the recess, I laid out an economic recovery plan which pins down the real concerns and issues that must be addressed and attacked in order to lift off our economy and get it flying smoothly again. Of course, there are no simple or easy answers to the present job loss, but it is certain that there will be no economic revival without political courage and boldness. There are no quick fixes, but there are quick actions we can take. My suggestions call for a comprehensive, 3-year program that would begin quickly, and steadily stabilize our Nation's prosperity.

My plan is not based on the superficial gratification of the administration's. We need a recovery program that is a real, long-term plan, not a fly-by-night plan with only the promise and illusion of satisfactory results—to get us through the next election. President Bush's proposed solution to the economic crisis is like giving someone with a toothache a pain pill to get better; you feel good until the medicine wears off, and then you're stuck with the same old bad tooth. My proposal is that we go ahead and drill to the root of the problem, remove the decayed, outdated, and ineffective practices, and build back up a new, healthy, and prosperous economy.

Many of my proposals are ideas that are not new to either the Congress or the administration. I propose what we ought to be doing anyhow. Parts of this economic recovery package have fallen on the administration's deaf ears for many months, causing the American people to endure unemployment lines and other unnecessary hardships in exchange for President Bush's Hoover-like sentiments of "Prosperity is just around the corner." My plan of actions is one that should have been in place all along, without having to wait for the Nation to be sucked down in the whirlpool of a recession in order to be implemented. We do not have time to wait around for one more round of economists' projections—Americans are tired of waiting. It is time for action.

History will tell us that it was this sort of wait-and-see attitude that caused the plunge from recession to depression in the Hoover administration. President Hoover was being pulled in many directions after the stock market crash of October 1929, and so he made a fatal mistake. He became reluctant to do anything. He put off dealing effectively with the problems of the banking system, just as the current Republican administration is putting it off today. This indecision by the Hoover administration allowed bank after

bank to fold, causing widespread panic and untold damage to an already weak economy.

We are witnessing similar failures today. When the Bank of New England was forced to fail, its waves hit a thousand other businesses, inundating New Hampshire, as we have been reminded so vividly over the past weeks, but reaching certainly as far as North Carolina where credit lines were eliminated for perfectly sound businesses.

President Hoover was unusually intelligent, and he brought to life an excellent idea in the Reconstruction Finance Corporation [RFC]. His World War I experiences taught him that shoring up sound businesses was good business. The trouble was the Hoover administration lacked courage and decisiveness. They did not put the RFC into motion until 1932, 3 years after the first indications of a recession. They were "too little, too late." They lacked the boldness to empower the RFC with the authority and money it needed to be effective. Jesse Jones, who led the RFC to its great success, wrote in his book:

It soon became apparent that the Act which created the RFC was much too restrictive, that the task of the economic reconstruction and restoration of confidence required a broader approach than our financial and political leaders had foreseen. The original Act did not provide for putting capital into banks and insurance companies. Nor was it effective in immediately reviving business, or even to any great extent in halting the downward trend, which did not reach bottom until March 1933.

Democratic leader of the House at the time, Representative Rainey of Illinois, introduced legislation broadening the RFC's powers, which passed in both the House and the Senate, but was vetoed by President Hoover. The tragedy of history, the tragedy for America, is that President Hoover lacked political courage. He did not proceed on his course. The RFC Program was one of the first revitalized under the Roosevelt administration, saving thousands of banks and the businesses that relied upon them. We must adopt strategies such as these that have worked in the past.

We are behind in our building of public works and infrastructure, in home construction, and in science education and research. To start catching up will bring jobs to the economy and build a stronger nation.

We need stronger, more secure, and more confident banks. To enact long overdue reforms will create jobs and build a stronger nation.

We need, as always, to invest in people, and if we pay attention to their opportunities, we will create jobs and build a stronger nation.

The Republican administration for about 12 years has neglected public construction, has weakened the savings and banking system, and has short-changed education and training and

housing. They have failed in courage and candor as Herbert Hoover failed.

It is time to get going again. Doing what we ought to have been doing all along is the best way to get out of this recession and to get people back on the job. President Bush's economic message to our country brings up some disturbingly haunting ghosts from the past. His plan is a small grab bag of old ideas. It fails to reflect either the changed world we live in or share any vision for the future.

This is no time for inaction; let us not let President Bush make the same mistakes President Hoover made. Let's put together a comprehensive economic plan and act on it. Congress can put the Nation on the right track. Otherwise it will not be done.

#### HIGHER EDUCATION AMENDMENTS OF 1991

The Senate resumed consideration of the bill.

The PRESIDING OFFICER. The Senate will now resume consideration of S. 1150.

Mr. PELL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. PELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### MODIFICATION TO COMMITTEE SUBSTITUTE

Mr. PELL. Mr. President, on behalf of the Labor and Human Resources Committee, I send to the desk a modification to the committee substitute and ask for its immediate consideration and ask that it be treated as original text for the purposes of further amendment.

The PRESIDING OFFICER. The Senator has a right to modify the substitute.

The substitute is so modified.

The amendment, as modified, is as follows:

On pages 11 and 12, strike all beginning with "Sec. 401." through the item relating to section 475, and insert the following:

- Sec. 401. Program authority and method of distribution.
- Sec. 402. Repealers.
- Sec. 403. Authorization of appropriations.
- Sec. 404. Amount and duration of grants.
- Sec. 405. Agreements with institutions; selection of recipients.
- Sec. 406. Allocation of funds.
- Sec. 407. Grants to States for State student incentives.
- Sec. 408. Applications for State student incentive grant program.
- Sec. 409. Early intervention program.
- Sec. 410. Special programs for students from disadvantaged backgrounds.
- Sec. 411. Talent search.
- Sec. 412. Upward bound.
- Sec. 413. Student support services.



Sec. 414. Educational opportunity centers.  
 Sec. 415. Staff development activities.  
 Sec. 416. Evaluation for program improvement.  
 Sec. 417. Special programs for students whose families are engaged in migrant and seasonal farm-work.  
 Sec. 418. Scholarships authorized.  
 Sec. 419. Allocation among States.  
 Sec. 420. Selection of scholars.  
 Sec. 421. Stipends and scholarship conditions.  
 Sec. 422. Construction of needs provisions.  
 Sec. 423. Awards ceremony.  
 Sec. 424. Authorization of appropriations.  
 Sec. 425. Payments to institutions of higher education.  
 Sec. 426. Veterans education outreach program.  
 Sec. 427. Grants to students in attendance at institutions of higher education.  
 Sec. 428. Advances for reserve funds of State and nonprofit private loan insurance programs.  
 Sec. 429. Limitations on individual federally insured loans and on Federal loan insurance.  
 Sec. 430. Eligibility of student borrowers and terms of federally insured student loans.  
 Sec. 431. Applicable interest rates.  
 Sec. 432. Federal payments to reduce student interest costs.  
 Sec. 433. Supplemental loan for students.  
 Sec. 434. Plus loans.  
 Sec. 435. Consolidation loans.  
 Sec. 436. Default reduction programs.  
 Sec. 437. Requirements for disbursement of student loans.  
 Sec. 438. Default rates.  
 Sec. 439. Reports to credit bureaus and institutions of higher education.  
 Sec. 440. Legal powers and responsibilities.  
 Sec. 441. Student loan information by eligible lenders.  
 Sec. 442. Definitions for student loan insurance program.  
 Sec. 443. Repayment by the Secretary of loans of bankrupt, deceased or disabled borrowers.  
 Sec. 444. Special allowances.  
 Sec. 445. Student loan marketing association.  
 Sec. 446. Authorization of appropriations.  
 Sec. 447. Allocation of funds.  
 Sec. 448. Grants for work-study programs.  
 Sec. 449. Job location and development programs.  
 Sec. 450. Work study for community service-learning on behalf of low income individuals and families.  
 Sec. 451. Work-learning program and student mentor pilot program.  
 Sec. 452. Income contingent direct loan demonstration program.  
 Sec. 453. Authorization of appropriations.  
 Sec. 454. Allocation of funds.  
 Sec. 455. Agreements with institutions of higher education.  
 Sec. 456. Student loan information by eligible institutions.  
 Sec. 457. Terms of loans.  
 Sec. 458. Cancellation of loans for certain public service.  
 Sec. 459. Distribution of assets from student loan funds.  
 Sec. 460. Student aid methodology.  
 Sec. 461. Amount of need.  
 Sec. 462. Cost of attendance.  
 Sec. 463. Family contribution.  
 Sec. 464. Student aid methodology; data elements.

Sec. 465. Expected family contribution for dependent students.  
 Sec. 466. Expected family contribution for independent students with dependents other than a spouse.  
 Sec. 467. Expected family contribution for single independent students or for married independent students without other dependents.  
 Sec. 468. Regulations; updated tables.  
 Sec. 469. Simplified needs test.  
 Sec. 470. Discretion of student financial aid officer.  
 Sec. 471. Disregard of student aid in other Federal programs.  
 Sec. 472. Definitions; general calculation rules.  
 Sec. 473. Definitions.  
 Sec. 474. Master calendar.  
 Sec. 475. Forms and regulations.  
 Sec. 476. Student eligibility.  
 Sec. 477. Information dissemination activities.  
 Sec. 478. National student loan data system.  
 Sec. 479. Simplification of the lending process for borrowers.  
 Sec. 480. Training in financial aid and student support services.  
 Sec. 481. Program participation agreements.  
 Sec. 482. Assignment of identification numbers.  
 Sec. 483. Transfer of allotments.  
 Sec. 484. Criminal penalties.  
 Sec. 485. Advisory committee on student financial assistance.  
 Sec. 486. General provisions.  
 Sec. 487. Institutional integrity program required.

On page 13, redesignate the item relating to section 708 as the item relating to section 709.

On page 13, after the item relating to section 707, insert the following:

Sec. 708. Historically Black college and university capital financing.

On page 13, redesignate the item relating to section 708 as the item relating to section 709.

On page 14, after the item relating to section 1404, insert the following:

Sec. 1405. Repeal of national science scholars program.

On page 14, strike all beginning with "Sec. 1501." through the item relating to section 1506, and insert the following:

#### TITLE XV—NATIONAL CENTER FOR THE WORKPLACE

Sec. 1501. Purpose; designation.

Sec. 1502. Establishment.

Sec. 1503. Use of funds.

Sec. 1504. Board of Advisors.

Sec. 1505. Gifts and donations.

Sec. 1506. Authorization.

#### TITLE XVI—INDIAN HIGHER EDUCATION PROGRAMS

##### PART A—TRIBALLY CONTROLLED COMMUNITY COLLEGES

Sec. 1601. Reauthorization of the Tribally Controlled Community Colleges Act.

##### PART B—HIGHER EDUCATION TRIBAL GRANT AUTHORIZATION ACT

Sec. 1611. Short title.

Sec. 1612. Findings.

Sec. 1613. Program authority.

Sec. 1614. Qualification for grants to tribes.

Sec. 1615. Allocation of grant funds.

Sec. 1616. Limitations on use of funds.

Sec. 1617. Administrative provisions.

#### PART C—CRITICAL NEEDS FOR TRIBAL DEVELOPMENT ACT

Sec. 1621. Short title.

Sec. 1622. Definitions.

Sec. 1623. Service conditions permitted.

Sec. 1624. Critical area service agreements.

Sec. 1625. General provisions.

#### PART D—INSTITUTE OF AMERICAN INDIAN NATIVE CULTURE AND ARTS DEVELOPMENT

Sec. 1631. Institute of American Indian Native Culture and Arts Development.

#### PART E—AMERICAN INDIAN POSTSECONDARY ECONOMIC DEVELOPMENT SCHOLARSHIP

Sec. 1641. American Indian Postsecondary Economic Development Scholarship.

Sec. 1642. Indian scholarships.

Sec. 1643. Scholarship conditions.

Sec. 1644. Report.

Sec. 1645. Authorization of appropriations.

On page 17, line 15, insert "(hereafter in this subpart referred to as the 'Director of the Fund')" before the period.

On page 17, lines 18 and 19, strike "for the Improvement of Postsecondary Education".

On page 22, line 20, strike "(1)" and insert "(1) may include—".

On page 22, line 21, strike "shall include".

On page 22, line 23, strike "and".

On page 22, strike line 24.

On page 23, line 1, strike "(i)" and insert "(B)".

On page 23, line 4, strike "(ii)" and insert "(C)".

On page 23, line 7, strike "(iii)" and insert "(D)".

On page 23, lines 11 and 12, strike "contained" and insert "containing".

On page 24, line 21, strike "for not more than 2 years".

On page 25, strike lines 13 through 20, and insert the following:

(b) LIMITATION.—No grant under this subpart to an institution of higher education shall exceed \$25,000 in any one fiscal year.

On page 29, line 17, strike the end quotation marks and the second period.

On page 29, between lines 17 and 18, insert the following:

"PART C—ACCESS AND EQUITY TO EDUCATION FOR ALL AMERICANS THROUGH TELECOMMUNICATIONS

"SEC. 141. PROGRAM ESTABLISHED; AUTHORIZATION OF APPROPRIATIONS; ELIGIBILITY.

"(a) GENERAL AUTHORITY.—The Secretary is authorized to make grants to eligible partnerships to enable such partnerships to pay the Federal share of the cost of the activities described in the application submitted pursuant to section 142.

"(b) AUTHORIZATIONS OF APPROPRIATIONS.—

"(1) IN GENERAL.—There are authorized to be appropriated \$10,000,000 for fiscal year 1993 and such sums as may be necessary for each of the 6 succeeding fiscal years.

"(2) AVAILABILITY.—Funds appropriated pursuant to the authority of paragraph (1) shall remain available until expended.

"(c) ELIGIBLE PARTNERSHIP.—For the purpose of this part the term 'eligible partnership' means a partnership which—

"(1) shall consist of—

"(A) a public broadcasting entity or a consortium thereof; and

"(B) an institution of higher education or a consortium thereof; and

"(2) may also include a State, a unit of local government, or a public or private nonprofit organization.

"(d) FEDERAL SHARE.—The Federal share shall be 50 percent.

**"SEC. 142. APPLICATION.**

"(a) IN GENERAL.—Each eligible partnership desiring to receive a grant under this part shall submit an application to the Secretary at such time, in such manner and containing or accompanied by such information as the Secretary may reasonably require.

"(b) CONTENTS.—Each application submitted pursuant to paragraph (1) shall—

"(1) describe the education telecommunications activities or services to be assisted;

"(2) describe the administrative and management structure supporting such activities or services;

"(3) provide assurances that the financial interests of the United States in the telecommunications equipment, software and other facilities shall be protected for the useful life of such equipment, software or facilities;

"(4) describe the manner in which non-traditional postsecondary education students will benefit from the activities and services supported;

"(5) describe the manner in which special services, including captioned films, television, descriptive video and education media for individuals with disabilities, shall be supported; and

"(6) provide assurances that the eligible partnership will provide the non-Federal share of assistance under this part.

**"(c) APPROVAL OF APPLICATIONS.—**

"(1) IN GENERAL.—The Secretary shall, in approving applications under this part, give priority to applications which describe programs that—

"(A) include support for services to make captioned films, descriptive video and educational media available to individuals with disabilities who otherwise lack access to such educational materials;

"(B) will provide, directly or indirectly, activities or services to a significant number of postsecondary institutions;

"(C) improve access to accredited telecommunications coursework for individuals with disabilities otherwise denied such access;

"(D) will be available in a multistate area;

"(E) include evidence of significant support for the program from the business community; or

"(F) provides matching funds, in an amount which exceeds the required non-Federal share.

"(2) EQUITABLE GEOGRAPHIC DISTRIBUTION OF ASSISTANCE.—In approving applications under this part the Secretary shall ensure the equitable geographic distribution of grants awarded under this part.

**"SEC. 143. AUTHORIZED ACTIVITIES.**

"Grant funds awarded under this part shall be used for—

"(1) the acquisition of site equipment to provide the technical ability to receive diverse education services at schools, campuses, and work site locations;

"(2) satellite, fiberoptic and other distribution systems, and for local broadcast or other local distribution capability;

"(3) pre-service or in-service education and training for kindergarten through 4th grade teachers through interactive television conferencing;

"(4) preparation of telecommunications programs and software that support national, regional or statewide efforts to provide teaching and learning materials not otherwise available for local use; and

"(5) a loan service of captioned films, descriptive video and educational media in order to make such materials available, in accordance with regulations issued by the

Secretary, in the United States for nonprofit purposes to individuals with disabilities, parents of individuals with disabilities, and other individuals directly involved in activities for the advancement of individuals with disabilities, including addressing problems of illiteracy among individuals with disabilities.

**"SEC. 144. DEFINITIONS.**

"For the purpose of this part—

"(1) the term 'institution of higher education' has the same meaning given to such term by section 481(a);

"(2) the term 'public broadcasting entity' has the same meaning given to such term by section 397(11) of the Communications Act of 1934; and

"(3) the term 'State' means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, the Republic of Palau, and the Commonwealth of the Northern Mariana Islands.

**"SEC. 145. REPORT.**

"(a) IN GENERAL.—Each recipient of a grant under this part shall submit a report to the Secretary not later than 30 days after the conclusion of the grant period.

"(b) CONTENTS.—Each report described in subsection (a) shall include—

"(1) a description of activities and services assisted under this part;

"(2) a description of the population served by the program; and

"(3) an assessment of the ability of private sector entities participating in the eligible partnership to continue the support of the activities and services in the absence of Federal funding.

"(c) DISSEMINATION.—The Secretary shall select reports received under this subsection that are appropriate for dissemination to the education community and shall make such reports available through the National Diffusion Network."

On page 32, line 22, strike all beginning with "(including)" through "(libraries)" on line 24.

On page 34, line 5, strike "consortium" and insert "combination".

On page 34, strike lines 14 through 20, and insert the following:

"(B) contain assurances that the applicant will expend during the period for which the grant is sought (from funds other than funds received under this title), for the same purpose as such grant, an amount from such other sources equal to not less than one-third of such grant.

On page 39, line 2, strike "and".

On page 39, strike lines 3 and 4, and insert the following:

"(F) is described in section 312(a), meets the requirements of paragraphs (1), (2) and (3) of section 312(b) and has an enrollment of needy students; and

On page 39, line 5, strike "(ii)" and insert "(G)".

On page 39, line 6, strike "(I)" and insert "(J)".

On page 39, line 10, strike "(II)" and insert "(ii)".

On page 40, lines 13 and 14, strike "Construction, maintenance, renovation," and insert "Renovation".

On page 47, strike lines 3-6, and insert the following:

"(K) Morgan State University Graduate School.

On page 52, line 8, strike "Except as provided in paragraph (2)(B), an" and insert "An".

On page 52, line 15, insert "is receiving assistance under this part or" before "has".

On page 57, line 1, insert "\$" before "3,600".

On page 57, line 3, insert "\$" before "3,800".

On page 57, line 5, insert "\$" before "4,000".

On page 57, line 7, insert "\$" before "4,200".

On page 57, line 9, insert "\$" before "4,400".

On page 57, line 11, insert "\$" before

"4,600".

On page 57, line 13, insert "\$" before

"4,800".

On page 58, line 25, strike "and".

On page 58, after line 25, insert the following:

"(iv) in the case of a student who has dependent care expenses (as defined in section 472(7)) or disability related expenses (as defined in section 472(8)), shall include an allowance of \$3,000 in addition to the cost of tuition; and

On page 59, line 1, strike "(iv)" and insert "(v)".

On page 60, line 20, insert "at which the student is enrolled" after "institution".

On page 62, line 24, insert "at which the student is enrolled" after "institution".

On page 62, line 24, insert "and" after the semicolon.

On page 63, line 6, strike the semicolon and "and" and insert a period.

On page 63, beginning with line 7, strike all through page 66, line 24.

On page 67, line 24, insert "at which the student is enrolled" after "institution".

On page 69, line 5, strike "and" and insert "or".

On page 71, line 17, strike "such institutions" and insert "institutions of higher education at which such students are enrolled".

On page 78, line 6, insert ", except that in no case shall the total amount of student financial assistance awarded to a student under this title exceed such student's total cost of attendance" before the period.

On page 80, strike lines 13 and 14, and insert the following:

(2) in paragraph (1) of subsection (b), by inserting "com-

On page 80, beginning with line 18, strike all through page 81, line 4.

On page 81, line 7, strike "\$450,000,000" and insert "\$500,000,000".

On page 89, strike lines 11 and 12, and insert the following:

(3) in subsection (c)—

(A) in subparagraph (A) of paragraph (1), by striking "be physically handicapped" and insert "be individuals with disabilities"; and

(B) in paragraph (5), by striking "receive" and inserting "be offered"; and

On page 93, line 21, strike "stipends not to exceed \$2,400 per annum" and insert "an award that—

"(1) shall include a stipend not to exceed \$2,400 per annum; and

"(2) may include the costs of summer tuition, summer room and board, and transportation to summer programs".

On page 98, between lines 4 and 5, insert the following:

**SEC. 418. SCHOLARSHIPS AUTHORIZED.**

Subsection (b) of section 419C of the Act (20 U.S.C. 1070d-33(b)) is amended to read as follows:

"(b) PERIOD OF AWARD.—Scholarships under this section shall be awarded for a period of not more than 4 years for the first 4 years of study at any institution of higher education eligible to participate in any programs assisted under this title."

On page 98, line 5, strike "418" and insert "419".

On page 99, line 3, strike "sec. 419. selection of scholarships" and insert "sec. 420. selection of scholars".



On page 99, line 11, insert "(and in the case of the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, American Samoa, the Commonwealth of the Northern Mariana Islands, Guam, or Palau (until such time as the Compact of Free Association is ratified), not to exceed 10 individuals will be selected from such entities)" before the period.

On page 99, between lines 16 and 17, insert the following:

**SEC. 421. STIPENDS AND SCHOLARSHIP CONDITIONS.**

Subsection (a) of section 419H of the Act (20 U.S.C. 1070d-38(a)) is amended by inserting "except that in no case shall the total amount of financial aid awarded to such student exceed such student's total cost-of-attendance" before the period.

**SEC. 422. CONSTRUCTION OF NEEDS PROVISIONS.**

Section 419J of the Act (20 U.S.C. 1070d-40) is amended by striking "Nothing" and inserting "Except as provided in section 471, nothing".

On page 99, line 17, strike "420" and insert "423".

On page 100, line 5, strike "421" and insert "424".

On page 100, line 14, strike "422" and insert "425".

On page 100, line 17, strike "423" and insert "426".

On page 100, line 21, strike "sec. 424. access scholarships." and insert "sec. 427. grants to students in attendance at institutions of higher education."

On page 100, line 22, insert "(a) ACCESS SCHOLARSHIPS." before "Subpart".

On page 105, line 24, strike "to—" and insert "to \$1,000."

On page 106, strike lines 1 through 11.

On page 107, line 10, insert end quotation marks and a period after the period.

On page 107, between lines 10 and 11, insert the following:

(b) GRANTS TO STUDENTS IN ATTENDANCE AT INSTITUTIONS OF HIGHER EDUCATION.—Part A of title IV of the Act (20 U.S.C. 1070 et seq.) is amended by adding at the end the following new subparts:

On page 121, line 19, strike "\$4,500,000" and insert "\$10,000,000".

On page 123, line 18, strike "successfully complete" and insert "complete successfully".

On page 130, between lines 9 and 10, insert the following:

"(c) NOTIFICATION.—The Secretary shall notify other Federal agencies of the requirements of this section.

On page 132, between lines 4 and 5, insert the following:

**SEC. 428. ADVANCES FOR RESERVE FUNDS OF STATE AND NONPROFIT PRIVATE LOAN INSURANCE PROGRAMS.**

Section 422 of the Act (20 U.S.C. 1072) is amended—

(1) in paragraph (2) of subsection (a), by adding at the end the following new sentence: "Except as provided in section 428(c)(10)(C), such unencumbered non-Federal portion shall not be subject to recall, repayment or recovery by the Secretary."; and

(2) by adding at the end thereof the following new subsections:

"(e) CORRECTION FOR ERRORS UNDER REDUCTION OF EXCESS CASH RESERVES.—

"(1) IN GENERAL.—The Secretary shall pay any guaranty agency the amount of reimbursement of claims under section 428(c)(1), filed between September 1, 1988 and December 31, 1989, which were previously withheld or canceled in order to be applied to satisfy such agency's obligation to eliminate excess

cash reserves held by such agency, based on the maximum cash reserve (as described in section 422(e) as in effect on September 1, 1988) permitted at the end of 1986, if such maximum cash reserve was miscalculated because of erroneous financial information provided by such agency to the Secretary and if (A) such erroneous information is verified by an audited financial statement of the reserve fund, signed by a certified public accountant, and (B) such audited financial statement is provided to the Secretary prior to January 1, 1993.

"(2) AMOUNT.—The amount of reimbursement for claims shall be equal to the amount of reimbursement for claims withheld or canceled in order to be applied to such agency's obligation to eliminate excess cash reserves which exceeds the amount of that which would have been withheld or canceled if the maximum excess cash reserves had been accurately calculated.

"(f) REFUND OF CASH RESERVE PAYMENTS.—The Secretary shall, within 30 days after the date of enactment of this Act, pay the full amount of payments withheld or canceled under paragraph (3) of this subsection to any guaranty agency which—

"(1) was required to eliminate excess cash reserves, based on the maximum cash reserve (as described in section 422(e) as in effect on September 1, 1988) permitted at the end of 1986;

"(2) appealed the Secretary's demand that such agency should eliminate such excess cash reserves and received a waiver of a portion of the amount of such excess cash reserves to be eliminated;

"(3) had payments under section 428(c)(1) or section 428(f) previously withheld or canceled in order to be applied to satisfy such agency's obligation to eliminate excess cash reserves held by such agency, based on the maximum cash reserve (as described in section 422(e) as in effect on September 1, 1988) permitted at the end of 1986; and

"(4) according to a Department of Education review that was completed and forwarded to such guaranty agency prior to January 1, 1992, is expected to become insolvent during or before 1996 and the payments withheld or canceled under paragraph (3) of this subsection are a factor in such agency's impending insolvency."

On page 132, line 5, strike "425" and insert "429".

On page 132, strike lines 10 through 12, and insert the following:

(1) in paragraph (1)—

(A) in subparagraph (A), by striking clauses (i), (ii) and (iii) and inserting the following:

On page 134, strike lines 10 through 25, and insert the following:

professional student (as defined in regulations issued by the Secretary), except in cases where the Secretary determines, pursuant to regulations, that a higher amount is warranted in order to carry out the purpose of this part with respect to students engaged in specialized training requiring exceptionally high costs of education or in programs of study abroad that are approved for credit by the institution at which such students are enrolled."; and

(B) by inserting at the end the following new subparagraph:

"(B)(1) The annual insurable limit per student described in subparagraph (A) shall not be deemed to be exceeded by a line of credit under which actual payments by the lender to the borrower will not be made in any years in excess of the annual limit.

"(ii) The determination of the workload being carried by the student shall be made at

the time the student's eligibility for the loan is certified, and shall not be affected by subsequent changes in the student's workload during the loan period."; and

On page 136, line 12, strike "426" and insert "430".

On page 137, line 10, insert "or endorser" after "cosigner".

On page 137, strike lines 15 through 22, and insert the following:

(B) by amending subparagraph (C) to read as follows:

"(C)(i) for loans made on or before June 30, 1993, provides that periodic installments of principal need not be paid, but interest shall accrue and be paid, during any period—

"(I) during which the borrower—

"(aa) is pursuing a full-time course of study as determined by an eligible institution;

"(bb) is pursuing at least a half-time course of study (as determined by such institution); or

"(cc) is pursuing a course of study pursuant to a graduate fellowship program approved by the Secretary, or pursuant to a rehabilitation training program for disabled individuals approved by the Secretary,

except that no borrower shall be eligible for a deferment under this clause, or loan made under this part (other than a loan made under 428B or 428C), while serving in a medical internship or residency program;

"(II) not in excess of 3 years during which the borrower is a member of the Armed Forces of the United States, is an active duty member of the National Oceanic and Atmospheric Administration Corps, or is an officer in the Commissioned Corps of the Public Health Service;

"(III) not in excess of 3 years during which the borrower is in service as a volunteer under the Peace Corps Act;

"(IV) not in excess of 3 years during which the borrower is in service as a full-time volunteer under the Domestic Volunteer Service Act of 1973;

"(V) not in excess of 3 years during which the borrower is in service, comparable to the service referred to in subclauses (III) and (IV), as a full-time volunteer for an organization which is exempt from taxation under section 501(c)(3) of the Internal Revenue Code of 1986;

"(VI) not in excess of 3 years during which the borrower is engaged as a full-time teacher in a public or nonprofit private elementary or secondary school in a teacher shortage area established by the Secretary pursuant to paragraph (4) of this subsection;

"(VII) not in excess of 2 years during which the borrower is serving an internship, the successful completion of which is required in order to receive professional recognition required to begin professional practice or service or serving in an internship or residency program leading to a degree or certificate awarded by an institution of higher education, a hospital, or a health care facility that offers postgraduate training;

"(VIII) not in excess of 3 years during which the borrower is temporarily totally disabled, as established by sworn affidavit of a qualified physician, or during which the borrower is unable to secure employment by reason of the care required by a dependent who is so disabled;

"(IX) not in excess of 24 months, at the request of the borrower, during which the borrower is seeking and unable to find full-time employment;

"(X) not in excess of 6 months of parental leave; and

"(XI) not in excess of 12 months for mothers with preschool age children who are just

entering or reentering the work force and who are compensated at a rate not exceeding \$1 in excess of the rate prescribed under section 6 of the Fair Labor Standards Act of 1938;

"(ii) for loans made to new borrowers on or after July 1, 1993, provides that periodic installments of principal need not be paid, but interest shall accrue and be paid, during any period—

"(I) during which the borrower—

"(aa) is pursuing at least a half-time course of study as determined by an eligible institution; or

"(bb) is pursuing a course of study pursuant to a graduate fellowship program approved by the Secretary, or pursuant to a rehabilitation training program for disabled individuals approved by the Secretary, except that no borrower shall be eligible for a deferment under this subclause, or loan made under this part (other than a loan made under 428B or 428C), while serving in a medical internship or residency program;

"(II) not in excess of 3 years during which the borrower is seeking and unable to find full-time employment;

"(III) not in excess of 3 years during which the borrower is temporarily totally disabled, as established by sworn affidavit of a qualified physician, or during which the borrower is unable to secure employment by reason of the care required by a dependent who is so disabled; and

"(IV) not in excess of 3 years during which the borrower is working full-time and is earning an amount which does not exceed the greater of—

"(aa) the minimum wage rate described in section 6 of the Fair Labor Standard Act of 1938; or

"(bb) an amount equal to 100 percent of the poverty line for a family of 2 as determined in accordance with section 673(2) of the Community Service Block Grant Act,

and any such period shall not be included in determining the 10-year period described in subparagraph (B);";

On page 138, line 7, strike "180 days after the lender is notified that" and insert "120 days after";

On page 138, line 14, insert "at which such students are enrolled" after "institution".

On page 138, line 17, strike "427" and insert "431".

On page 138, strike lines 22 and 23, and insert the following:

(i) by inserting "and before July 1, 1993" after "1987";

(ii) by striking "prior to such date"; and

On page 139, line 1, strike "(ii)" and insert "(iii)".

On page 140, line 8, insert "(e)," after "subsections".

On page 140, line 9, insert "(f)," after "subsections".

On page 140, line 12, strike "(f)" and insert "(e)".

On page 140, beginning with line 24, strike all through page 141, line 3, and insert the following:

"(A) during the period beginning on the date of disbursement of the loan and ending 4 years after the commencement of repayment, the applicable rate of interest during any 12-month period beginning on July 1 and ending on June 30 shall be determined on the preceding June 1 and is equal to—

"(i) the bond equivalent rate of 91-day Treasury bills auctioned at the final auction held prior to such June 1; plus

"(ii) 3.10 percent,

except that such rate shall not exceed 9 percent.

On page 141, strike lines 12 and 13, and insert the following:

"(ii) 3.10 percent,

except that such rate shall not exceed 11 percent."

On page 141, line 20, strike "428" and insert "432".

On page 143, line 20, insert "at which such student is enrolled" after "institution".

On page 145, line 6, insert "at which such student is enrolled" after "institution".

On page 145, beginning with line 23, strike all through page 146, line 14, and insert the following:

or professional student (as defined in regulations of the Secretary), except that in cases where the Secretary determines, pursuant to regulations, that a higher amount is warranted in order to carry out the purpose of this part with respect to students engaged in specialized training requiring exceptionally high costs of education,

except that the annual insurable limit per student shall not be deemed to be exceeded by a line of credit under which actual payments by the lender to the borrower will not be made in any years in excess of the annual limit."; and

On page 148, strike line 9 and insert the following:

"(M)(i) for borrowers who have received loans made on or before June".

On page 151, line 12, insert "to new borrowers" after "made".

On page 151, line 17, strike "full-time".

On page 151, line 18, insert "on at least a half-time basis" after "study".

On page 151, line 19, insert "or" after the semicolon.

On page 151, strike lines 20 through 22.

On page 151, line 23, strike "(cc)" and insert "(bb)".

On page 152, strike lines 20 through 25, and insert the following:

"(IV) not in excess of 3 years during which the borrower is working full-time and is earning an amount which does not exceed the greater of—

"(aa) the minimum wage rate described in section 6 of the Fair Labor Standards Act of 1938; or

"(bb) an amount equal to 100 percent of the poverty line for a family of 2 as determined in accordance with section 673(2) of the Community Service Block Grant Act;";

On page 153, line 7, insert "clause (i) of" after "amending".

On page 153, strike lines 9 through 18 and insert the following:

"(V)(i) provide that, upon written request, a lender shall grant a borrower forbearance of principal and interest (or principal only at the option of the borrower) and renewable at 12-month intervals—

"(I) for a period not to exceed 3 years, on such terms as are otherwise consistent with the regulations of the Secretary set forth in writing by the parties to the loan, if the borrower's debt burden under this title equals or exceeds 20 percent of gross income; or

"(II) for a period equal to the length of time remaining in the borrower's medical or dental internship or residency program, on such terms as are otherwise consistent with the regulations of the Secretary and set forth in writing by the parties to the loan, if the borrower—

"(aa) is serving in a medical or dental internship or residency program, the successful completion of which is required to begin professional practice or service, or is serving in a medical or dental internship or residency program leading to a degree or certificate awarded by an institution of higher edu-

cation, a hospital, or a health care facility that offers postgraduate training; and

"(bb) provides that no administrative or other fee may be charged in connection with the granting of a forbearance under subclause (I), and that no adverse information regarding a borrower may be reported to a credit bureau organization solely because of the granting of a forbearance under such subclause."; and

On page 154, lines 7 and 8, strike "of the age specified" and insert "described".

On page 154, line 11, insert "or endorser" after "cosigner".

On page 155, lines 16 and 17, strike "180 days after the lender is notified that" and insert "120 days after".

On page 156, line 13, insert "or 428(b)(1)(E)" after "428(a)(2)(B)".

On page 156, beginning with line 22, strike all through page 157, line 2, and insert the following:

"(7) REPORTING REQUIREMENT.—All officers and directors, and those employees and consultants of eligible institutions, eligible lenders, guaranty agencies, loan servicing agencies, accrediting agencies or associations, State higher education agencies, and entities acting as secondary market, who are engaged in making decisions or providing advice as to the administration of any program or funds under this title or as to the eligibility of any entity or individual to participate under this title, shall report to the Secretary, in such manner and at such time as the Secretary shall require, on any financial interest which such individual may hold in any other entity participating in any program assisted under this title.;"

On page 157, line 25, insert "of the amount" after "percent".

On page 159, strike lines 1 and 2, and insert the following:

(II) by inserting "(i)" after the subparagraph designation.

On page 159, strike lines 3 and 4.

On page 159, line 5, strike "(IV)" and insert "(III)".

On page 159, line 6, strike "clause" and insert "clauses".

On page 159, line 10, strike "and promptly" and insert "promptly".

On page 159, line 11, insert "and in accordance with clause (iii)" before the comma.

On page 159, line 13, strike the end quotation marks and the second semicolon and insert "and".

On page 159, between lines 13 and 14, insert the following:

"(iii) shall require that the Secretary use the discretion described in clause (ii) only after the Secretary has developed criteria to determine adequate collections efforts by guaranty agencies, and in no event shall the assignment of loans be required unless the Secretary explains in writing the reasons why a guaranty agency's collection efforts have not been adequate and how the Secretary's collection efforts will be superior; and";

On page 160, strike line 4, and insert the following:

(C) in paragraph (3)—

(i) in subparagraph (A), by striking "(b)(1)(V)" and inserting "(b)(1)(V)(II)"; and

(ii) by adding at the end of the matter following subparagraph (B)

On page 164, line 20, strike "improve" and insert "implement".

On page 166, line 18, strike "assure" and insert "ensure".

On page 167, line 1, strike "assure" and insert "ensure".

On page 167, line 19, strike "429" and insert "433".



On page 168, lines 9 and 10, strike "(as defined by regulations issued by the Secretary)".

On page 169, line 21, strike the end quotation marks and the semicolon.

On page 169, between lines 21 and 22, insert the following:

"(D) In the case of a student who has not successfully completed the first year of a program of undergraduate education and who is not enrolled in a program that is at least one academic year in length, but who is determined to be enrolled in a program whose length is at least  $\frac{2}{3}$  of an academic year, \$2,500.

On page 170, line 3, insert "(A)" before "Notwithstanding".

On page 170, line 14, strike "(A)" and insert "(i)".

On page 170, line 18, strike "(B)" and insert "(ii)".

On page 170, line 23, strike "(C)" and insert "(iii)".

On page 171, between lines 2 and 3, insert the following:

"(B) The determination of the workload being carried by the student described in subparagraph (A) shall be made at the time the student's eligibility for the loan is certified, and shall not be affected by subsequent changes in the student's workload during the loan period.

On page 171, lines 5 and 6, strike "(excluding any loans made under section 428(B))".

On page 173, line 7, strike "430" and insert "434".

On page 174, strike "that" and insert "than".

On page 174, line 4, strike "431" and insert "435".

On page 174, between lines 7 and 8, insert the following:

(A) in subparagraph (A), by striking all beginning with "loan—" through "(ii) is" and inserting "loan is".

On page 174, line 8, strike "(A)" and insert "(B)".

On page 174, line 10, insert "(i)" after "(B)".

On page 174, line 14, strike "(i)" and insert "(I)".

On page 174, line 17, strike "(ii)" and insert "(II)".

On page 174, line 21, strike the end quotation marks, the semicolon, and "and".

On page 174, between lines 21 and 22, insert the following:

"(ii) Loans made under this section shall, to the extent used to discharge loans made under this title, be counted against applicable limitations on aggregate indebtedness contained in sections 425(a)(2), 428(b)(1)(B), 428A(b)(2), and 464(a)(2). Nothing in this subparagraph shall be interpreted to authorize the Secretary to require lenders, holders, or guarantors of consolidated loans to receive, to maintain, or to make reports with respect to preexisting records relating to any eligible student loan (as defined under section 428C(a)(4)) discharged by a borrower in receiving a consolidation loan."; and

On page 174, line 22, strike "(C)" and insert "(B)".

On page 176, line 3, strike "432" and insert "436".

On page 176, strike lines 4 and 5 and insert the following:

Section 428F of the Act (20 U.S.C. 1078-6) is amended—

(1) by striking subsection (a);

(2) in subsection (b)—

(A) in subparagraph (A) of paragraph (1)—

(i) by striking "Upon" and inserting "Each guaranty agency shall enter into an agree-

ment with the Secretary which shall provide that upon"; and

(ii) by adding at the end the following new sentence: "Neither the guaranty agency nor the Secretary shall demand from a borrower as monthly payment amounts referred to in this paragraph more than is reasonable and affordable based upon the borrower's total financial circumstances.";

(B) in paragraph (3), by inserting "or grants" after "loans";

(3) by redesignating subsection (b) (as amended in paragraph (2)) as subsection (a); and

(4) by adding at the end the following new subsections:

On page 176, line 6, strike "(c)" and insert "(b)".

On page 176, line 14, strike the end quotation marks and the second period.

On page 176, between lines 14 and 15, insert the following:

"(c) SPECIAL RULE.—Each guaranty agency shall establish a program which allows a borrower with a defaulted loan or loans to renew their eligibility for all title IV student financial assistance (regardless of whether their defaulted loan has been sold to an eligible lender) upon the borrower's payment of 6 consecutive monthly payments. The guaranty agency shall not demand from a borrower as a monthly payment amount under this subsection more than is reasonable and affordable based upon the borrower's total financial circumstances."

On page 176, line 15, strike "433" and insert "437".

On page 177, strike lines 7 and 8 and insert "sec. 438. default rates."

On page 178, line 18, strike "435" and insert "439".

On page 179, line 5, strike "a second time".

On page 179, lines 6 and 7, strike "the second time" and insert "such subsequent time".

On page 179, line 8, strike "436" and insert "440".

On page 179, strike line 10 and insert the following:

(1) in paragraph (3) of subsection (a), by striking "on the record";

(2) in subsection (g)—

(A) in the matter preceding subparagraph (A) of paragraph (1), by striking "on the record";

On page 179, line 11, strike "(A)" and insert "(B)".

On page 179, line 13, strike "(B)" and insert "(C)".

On page 179, line 15, strike "(2)" and insert "(3)".

On page 182, line 6, strike "(3)" and insert "(4)".

On page 183, line 17, strike "RULE.—" and insert "RULES.—(A)".

On page 183, line 25, strike the end quotation marks and the second period.

On page 183, after line 25, insert the following:

"(B) Nothing in this paragraph shall be construed to limit the development of electronic forms and procedures."

On page 184, line 1, strike "437" and insert "441".

On page 185, line 8, insert "or 428(b)(1)(E), if applicable" before the period.

On page 185, line 14, insert "AND PLUS LOANS" after "LOANS".

On page 185, line 15, insert "and 428B, if applicable" after "428A".

On page 186, line 1, strike "438" and insert "442".

On page 187, line 18, strike "(5)" and insert "(2)".

On page 190, line 5, strike "439" and insert "443".

On page 192, line 6, strike the end quotation marks and the second period.

On page 192, between lines 6 and 7, insert the following:

"(c) REPAYMENT OF LOANS TO PARENTS.—If a student on whose behalf a parent has received a loan described in section 428B dies, then the Secretary shall discharge the borrower's liability on the loan by repaying the amount owed on the loan."

On page 192, line 7, strike "440" and insert "444".

On page 193, line 2, strike "428."

On page 193, line 4, strike "428(f)(1)(B) or".

On page 193, lines 7 and 8, strike "428(f)(1)(B)(ii) or".

On page 193, line 13, strike "In" and insert "Notwithstanding any other provision of law, in".

On page 194, line 14, strike "441" and insert "445".

On page 204, line 4, insert "The Secretary shall notify the Secretary of Education within a reasonable period of time prior to imposing any such prohibition." after the period.

On page 212, line 23, strike "442" and insert "446".

On page 213, line 1, insert a comma before "and".

On page 214, line 4, strike "443" and insert "447".

On page 214, line 23, strike "444" and insert "448".

On page 215, line 2, strike "and in work" and insert ", work".

On page 217, line 7, strike "445" and insert "449".

On page 217, between lines 13 and 14, insert the following:

SEC. 450. WORK STUDY FOR COMMUNITY SERVICE-LEARNING ON BEHALF OF LOW INCOME INDIVIDUALS AND FAMILIES.

Paragraph (2) of section 447(b) of the Act (20 U.S.C. 2756a(b)(2)) is amended by inserting "to provide support services to students with disabilities," after "individuals,".

On page 217, line 14, strike "446" and insert "451".

On page 219, line 5, strike "and personal values".

On page 223, line 19, strike "447" and insert "452".

On page 224, line 23, strike "448" and insert "453".

On page 225, between lines 11 and 12, insert the following:

SEC. 454 ALLOCATION OF FUNDS.

Subsection (e) of section 462 (20 U.S.C. 1087bb(e)) is amended—

(1) by striking "An" and inserting "(1) An"; and

(2) by adding at the end the following new paragraph:

"(2) The Secretary shall establish an appeals process by which the anticipated collections required in paragraph (1) may be waived for institutions with low default rates in the program assisted under this part."

On page 225, line 12, strike "449" and insert "455".

On page 227, line 6, insert "make every effort to" after "shall".

On page 227, line 9, strike "450" and insert "456".

On page 227, line 16, strike "451" and insert "457".

On page 228, line 25, insert "at which a student is enrolled" after "institution".

On page 234, strike lines 18 through 23, and insert the following:

"(iv) not in excess of 3 years during which the borrower is working full-time and earning an amount which does not exceed the greater of—

"(I) the minimum wage rate described in section 6 of the Fair Labor Standards Act of 1938; or

"(II) an amount equal to 100 percent of the poverty line for a family of 2 as defined in section 673(2) of the Community Service Block Grant Act.";

On page 235, line 3, insert "or principal only" after "interest".

On page 235, line 7, strike "with the approval of the insurer".

On page 236, line 8, strike "452" and insert "458".

On page 237, line 14, strike "453" and insert "459".

On page 238, line 10, strike "454" and insert "460".

On page 239, line 23, strike "455" and insert "461".

On page 241, strike lines 1 through 4, and insert the following:

"(C) a scholarship or grant, including a scholarship or grant received under subparts 2, 3, 6, 8, and 10 of this part or an athletic scholarship;

On page 241, line 19, strike "456" and insert "462".

On page 241, line 23, strike "and" after the semicolon.

On page 242, lines 2 and 3, strike "student's home institution" and insert "home institution at which such student is enrolled".

On page 242, line 3, strike the period and insert a semicolon and "and".

On page 242, between lines 3 and 4, insert the following:

(3) in paragraph (8)—

(A) by striking "handicapped student" and inserting "student with a disability"; and

(B) by inserting "personal assistance," after "services,".

On page 242, line 4, strike "457" and insert "463".

On page 242, line 7, strike "458" and insert "464".

On page 244, line 10, strike "459" and insert "465".

On page 252, line 15, strike "460" and insert "466".

On page 258, line 14, strike "461" and insert "467".

On page 264, line 13, strike "462" and insert "468".

On page 266, line 13, strike "463" and insert "469".

On page 268, line 15, strike "464" and insert "470".

On page 269, between lines 4 and 5, insert the following:

(2) in subsection (b)—

(A) by striking "and" at the end of paragraph (2);

(B) by striking the period at the end of paragraph (3) and inserting a semicolon; and

(C) by inserting at the end the following new paragraphs:

"(4) the administrator makes adjustments in the award level of a student with a disability so as to take into consideration the additional costs such student incurs as a result of such student's disability;

"(5) the administrator restores grant or work-study eligibility to a borrower whose liability on a loan received under this title has been discharged by the Secretary or canceled on account of permanent and total disability; or

"(6) In calculating the expected family contribution for any student in accordance with sections 474, 475, 476 and 477, the finan-

cial aid administrator excludes from such contribution or from the calculation as an asset of such student, such student's spouse, or either parent of such student with whom such student maintains a residence, any value for a residence which is itself, or is located upon land restricted against alienation without the consent of the Federal Government or is held in trust by the United States or a federally recognized tribe for the benefit of an individual member or members of an Indian tribe or is held in trust by the United States for the benefit of an Indian tribe."

On page 270, line 13, insert "National" before "Center".

On page 270, between lines 15 and 16, insert the following:

#### SEC. 471. DISREGARD OF STUDENT AID IN OTHER FEDERAL PROGRAMS.

Section 479B of the Act (20 U.S.C. 1087uu-1) is amended to read as follows:

#### SEC. 497B. DISREGARD OF STUDENT AID IN OTHER FEDERAL PROGRAMS.

"Notwithstanding any other provision of law, student financial assistance received under this title, or under Bureau of Indian Affairs student assistance programs, shall not be taken into account in determining the need or eligibility of any person for benefits or assistance, or the amount of such benefits or assistance, under any Federal, State, or local program financed in whole or in part with Federal funds."

On page 270, line 16, strike "465" and insert "472".

On page 282, line 13, strike "466" and insert "473".

On page 282, line 15, insert "paragraph (1) of" after "in".

On page 282, between lines 15 and 16, insert the following:

(A) in the matter preceding subparagraph (A), by striking "subsection (e), for the purposes of this title, except subpart 6 of part A and part B," and inserting "subsection (e) and subparagraph (B), for the purposes of this title";

On page 282, line 16, strike "(A)" and insert "(B)".

On page 282, line 19, strike "(B)" and insert "(C)".

On page 282, strike lines 20 through 23.

On page 283, line 23, insert "at least" after "mean".

On page 284, line 1, insert "or trimester" after "semester".

On page 284, line 5, insert "at least" after "of".

On page 284, line 8, strike "20" and insert "15".

On page 284, beginning with line 20, strike all through page 285, line 9 and insert the following:

"(g) PERSONAL ASSISTANCE.—The term 'personal assistance' means one person assisting another individual with tasks which such individual would typically do if such individual did not have a disability and which are necessary to enable the individual with a disability to participate fully in postsecondary opportunities, including assisting such individuals with major life activities."

On page 285, line 10, strike "467" and insert "474".

On page 285, line 14, strike "468" and insert "475".

On page 286, line 4, insert ", including an electronic reapplication process," after "process".

On page 286, line 21, strike "(6)" and insert "(7)".

On page 286, line 22, strike "and".

On page 287, line 19, strike the end quotation marks and the second period and insert a semicolon and "and".

On page 287, between line 19 and 20, insert the following:

(E) by inserting after paragraph (5) (as redesignated in subparagraph (C)) the following new paragraph:

"(6) No approved contractor shall enter into exclusive arrangements with guarantors, lenders, secondary markets, or institutions for the purpose of reselling or sharing of data collected for the multiple data entry process. All data collected under a contract issued by the Secretary pursuant to paragraph (2) for the multiple data entry process is the exclusive property of the Secretary and may not be transferred to a third party by an approved contractor without the Secretary's expressed written approval."

On page 290, line 2, strike "guarantor and".

On page 290, line 10, strike the end quotation marks and "; and".

On page 290, between lines 10 and 11, insert the following:

"(4) SPECIAL RULE.—Nothing in this subsection shall be construed to limit the development of electronic forms and procedures."; and

On page 290, lines 20 and 21, strike "subpart 1 of part A or part B of".

On page 290, line 24, strike "469" and insert "476".

On page 291, line 3, insert "at which such student is enrolled" after "institution".

On page 293, line 4, strike "(1)" and insert "(m)".

On page 293, line 6, strike "subsection (k)" and insert "subsections".

On page 293, line 11, strike "associate's or bachelor's" and insert "associate, bachelor or graduate".

On page 293, line 11, strike the end quotation marks and the second period.

On page 293, between lines 11 and 12, insert the following:

#### "(1) COURSES OFFERED THROUGH TELECOMMUNICATIONS.—

"(1) RELATION TO CORRESPONDENCE COURSES.—A student enrolled in a course of instruction at an eligible institution of higher education that is offered in whole or in part through telecommunications and leads to a recognized associate, bachelor, or graduate degree conferred by such institution shall not be considered to be enrolled in correspondence courses unless the total amount of telecommunications and correspondence courses at such institution equals or exceeds 50 percent of such courses.

"(2) RESTRICTION OR REDUCTIONS OF FINANCIAL AID.—A student may have such student's eligibility to participate in a program under this title restricted or reduced if a financial aid officer determines under the discretionary authority provided in section 479A that telecommunications instruction results in a substantially reduced cost of attendance to such student.

"(3) SPECIAL RULE.—For award years prior to the date of enactment of this subsection, the Secretary shall not take any compliance, disallowance, penalty, or other action against a student or an eligible institution when such action arises out of such institution's prior award of student assistance under this title if the institution demonstrates to the satisfaction of the Secretary that its course of instruction would have been in conformance with the requirements of this subsection.

"(m) STUDENTS WITH A FIRST BACCALAUREATE OR PROFESSIONAL DEGREE.—Notwithstanding any other provision of this Act, a student otherwise eligible for assistance under parts B, C, and E of this title shall be eligible for such assistance even though such



student has previously received a baccalaureate or professional degree."

On page 293, strike lines 12 through 22.

On page 293, line 23, strike "471" and insert "477".

On page 294, line 18, strike "and".

On page 295, line 24, strike "lender".

On page 296, line 1, strike "and the".

On page 296, line 3, strike "472" and insert "478".

On page 296, line 8, strike "and E" and insert "and loans made under part E".

On page 298, line 1, strike "473" and insert "479".

On page 298, line 23, strike "sec. 474. institutional refunds." and insert "sec. 480. training in financial aid and student support services."

On page 298, line 24, strike "repealed." and insert "amended to read as follows:"

On page 299, strike lines 1 through 3.

On page 299, line 4, strike "486A" and insert "486".

On page 299, line 23, strike "476" and insert "481".

On page 300, line 9, strike "and".

On page 300, between lines 10 and 11, insert the following:

"(C) the appropriate guaranty agency; and  
On page 300, line 11, strike "(C)" and insert "(D)".

On page 300, lines 22 and 23, strike "or with a guaranty agency for such first time".

On page 303, line 17, strike "477" and insert "482".

On page 304, line 1, strike "478" and insert "483".

On page 304, line 4, strike "479" and insert "484".

On page 306, line 4, strike "480" and insert "485".

On page 307, line 19, strike "481" and insert "486".

On page 308, line 25, strike "approved study abroad programs" and insert "study abroad programs approved by the institution at which a student is enrolled".

On page 309, line 2, strike "student's home institution" and insert "home institution at which such students are enrolled".

On page 309, line 20, insert "subparts 1 and 4 of part A, part B and part G of" after "to".  
On page 311, line 21, strike "482" and insert "487".

On page 312, lines 8 and 9, strike "through the State agency designated under subsection (c)".

On page 314, line 1, strike "assure" and insert "ensure".

On page 314, beginning with line 5, strike all through page 315, line 2, and insert the following:

"(4) a consumer protection policy for students enrolled in institutions of higher education in the State, including a process for the investigation and resolution of complaints by students;

"(5) requirements and procedures for ensuring the accuracy and integrity of advertising and promotion and student recruitment by institutions of higher education within the State;

"(6) review of the adequacy of facilities at institutions of higher education within the State to ensure compliance with relevant safety and health standards, such as fire, building and sanitation codes;

"(7) an adequate student disclosure policy;  
On page 315, line 3, strike "(9)" and insert "(8)".

On page 315, strike lines 6 and 7, and insert the following:

"(A) for students in professional or vocational programs, information relating to market and job availability;

On page 315, line 13, strike "(10)" and insert "(9)".

On page 316, strike lines 1 through 9.

On page 316, line 10, insert "(10) procedures for" before "advising".

On page 316, line 14, strike "(14)" and insert "(11)".

On page 316, strike lines 19 through 22 and insert the following:

"(12) provisions for on-site visits, where appropriate, to institutions of higher education within the State to assure compliance with standards set forth under this subsection;"

On page 316, line 23, strike "(16)" and insert "(13)".

On page 317, line 2, insert "and" after the semicolon.

On page 317, strike lines 3 through 6.

On page 317, line 7, strike "(18)" and insert "(14)".

On page 317, line 10, strike "the" and insert "the financial and administrative capacities of institutions of higher education and the".

On page 317, line 15, strike "AGENCY" and insert "ENTITY".

On page 317, line 17, strike "agency" and insert "entity".

On page 317, lines 18 and 19, strike "the conduct or coordination of" and insert "coordinating information on".

On page 318, strike lines 12 through 15.

On page 318, line 16, strike "(4)" and insert "(3)".

On page 319, line 14, strike "agency" and insert "entity".

On page 319, line 19, strike "agency" and insert "entity".

On page 320, line 4, strike "agency" and insert "entity".

On page 320, lines 12 and 13, strike "in an amount of at least the largest of the amounts determined pursuant to" and insert "that meets".

On page 320, line 20, insert "requirement" after "refund".

On page 321, line 13, strike "loan" and insert "part B loan".

On page 323, line 22, strike the comma and "or" and insert a semicolon.

On page 323, line 25, insert "or" after the semicolon.

On page 323, after line 25, insert the following:

"(C) is an agency or association that, for the purpose of determining eligibility for student assistance under this title, conducts accreditation of specialized educational programs within hospitals or clinics;"

On page 324, strike lines 1 through 4, and insert the following:

"(3) if such agency or association is an agency or association described in—

"(A) subparagraph (A) of paragraph (2), then such agency or association is separate and independent, both administratively and financially;

"(B) subparagraph (B) of paragraph (2), then such agency or association has been recognized by the Secretary on or before October 1, 1991; or

"(C) subparagraph (C) of paragraph (2) and such agency or association has been recognized by the Secretary on or before October 1, 1991, then the Secretary may waive the requirements for separate and independent, both administratively and financially, upon demonstration, that the existing relationship has not served to compromise the independence of its accreditation process;"

On page 324, beginning with line 24, strike all through page 325, line 5, and insert the following:

"(6) such agency or association consistently applies and enforces standards of ac-

creditation that ensure that the quality and content of studies offered by the institution of higher education may reasonably be expected to achieve the stated educational and operational objectives of the institution for the duration of the accreditation period."

On page 325, strike lines 15 through 20, and insert the following:

"(2) among the membership of the board of the accrediting agency or association there shall be one public member (not a member of the related trade or membership organization) for each six members of the board, with a minimum of one such public member, and guidelines are established for such members to avoid conflict of interest;"

On page 326, line 13, strike "assures" and insert "ensures".

On page 327, line 17, strike "on-site".

On page 328, line 19, insert "institutional" before "accreditation".

On page 328, line 19, insert "institutional" before "accrediting".

On page 328, line 21, insert "institutional" before "accreditation".

On page 328, line 23, insert "institutional" before "accrediting".

On page 329, line 4, insert "which accredits institutions" before the comma.

On page 329, line 7, insert "institutional accrediting" before "agency".

On page 332, line 8, strike "assure" and insert "ensure".

On page 332, line 16, strike the semicolon and insert ", except changes of ownership due to—

"(A) sale or transfer of less than 51 percent of the institution's corporate stock to existing stockholders, corporate employees, corporate officers or family members;

"(B) the death of an owner of an institution, when the owner's interest is sold or transferred to either a family member or a current stockholder of a corporation;

"(C) public offering of stock approved by the Securities and Exchange Commission; or  
"(D) another cause determined by the Secretary to be a routine business practice;"

On page 333, line 1, strike "assure" and insert "ensure".

On page 333, line 2, strike "and".

On page 333, between lines 2 and 3, insert the following:

"(6) establish procedures and requirements relating to the financial and administrative capacities of institutions of higher education, including—

"(A) determination of sufficiency of operating funds;

"(B) establishment of minimum assets to liabilities ratios;

"(C) consideration of past performance of institutions or persons in control of such institutions with respect to student aid programs;

"(D) providing for independently audited financial reports; and

"(E) maintenance of records; and

On page 333, line 3, strike "(6)" and insert "(7)".

On page 335, line 3, strike "default" and insert "dropout".

On page 335, line 13, strike "and".

On page 335, between lines 13 and 14, insert the following:

"(D) all relevant information available from a guaranty agency; and

On page 335, line 14, strike "(D)" and insert "(E)".

On page 337, beginning with line 3, strike all through page 339, line 10, and insert the following:

**"SEC. 499A. RECOMMENDATIONS OF INSTITUTIONAL PERFORMANCE STANDARDS.**

**"(a) IN GENERAL.**—The Secretary shall, after consultation with institutions of high-

er education, guaranty agencies, educational associations representing postsecondary education, and other appropriate public agencies and nonprofit private organizations, develop and recommend to Congress the appropriate legislative language necessary to provide objective performance standards for the administration of programs authorized by this title.

"(b) CONTENTS OF STANDARDS.—The institutional performance standards described in subsection (a) shall be designed to address—

"(i) the success of the program at the institution of higher education including—

"(A) rates of program completion and of graduation, taking into account—

"(i) the average length of time it takes to complete a course of study at the institution;

"(ii) the selectivity of the admissions policy at the institution; and

"(iii) the variety of completion goals, including transfer to another institution of higher education, full-time employment, and military service;

"(B) rates of withdrawal at the institution;

"(C) rates of student employment, after graduation, in the chosen field of study or in a related field, and acceptance of graduates, where appropriate, into graduate or professional study;

"(D) rates of licensure of graduates, where appropriate;

"(E) an evaluation of the adequacy of student services; and

"(F) the adequacy of resources and procedures for informing prospective students of licensure requirements, if appropriate, and of projections for employment opportunities in the field for which the proposed training is designed."

On page 339, after line 25, insert the following new section:

#### SEC. \_\_\_\_ REPEAL OF CERTAIN PROVISIONS.

Sections 601, 602, 603, 604 and 606 of the Emergency Unemployment Compensation Act of 1991 are repealed.

On page 340, strike lines 16 through 19, and insert the following:

talented persons, including the individuals already employed as school paraprofessionals and individuals who have been employed in other areas of endeavor, to enter the teaching profession;

On page 343, line 8, strike "institutions" and insert "an institution".

On page 343, line 9, insert "one or more" before "local".

On page 344, line 22, insert a comma after "education".

On page 345, lines 2 and 3, strike "the disabled" and insert "individuals with disabilities".

On page 347, line 5, insert "interested in teaching" before "in".

On page 347, line 6, strike "interested in teaching".

On page 348, line 3, insert "established under part E" before the comma.

On page 351, lines 14 and 15, strike "partnerships" and insert "partnership".

On page 353, line 4, insert "students with disabilities;" before "potential".

On page 353, lines 4 and 5, strike "pregnant, adolescent," and insert "pregnant adolescents".

On page 356, line 14, strike "depends" and insert "depend".

On page 357, line 18, insert "public school" before "teaching".

On page 358, line 14, strike "546" and insert "536".

On page 362, line 18, insert "public" before "elementary".

On page 363, line 5, insert "public" before "elementary".

On page 367, line 22, strike "or".

On page 368, line 2, strike the period and insert a semicolon and "and".

On page 368, between lines 2 and 3, insert the following:

"(5) authorize the Board to—

"(A) study, create, or promulgate separate standards applicable to home school or private school teachers;

"(B) take any action to require home school, private school, or public school teachers to participate in any program offered by the Board; or

"(C) take any action that infringes in any manner on the right of parents to direct the education of their children.

#### "SEC. 540A. VOLUNTARY PARTICIPATION.

"Notwithstanding any other provision of this part, voluntary participation in certification assessments by the Board shall be open to home school, private school, and public school teachers."

On page 375, strike " , exceeds the cost of attendance, the" and insert "exceeds the cost of attendance, then the".

On page 379, line 10, insert "a" before "hearing".

On page 382, line 13, strike "INTERIM".

On page 383, line 20, strike "to".

On page 385, line 2, strike "foregone" and insert "forgone".

On page 385, line 21, strike "and".

On page 385, line 22, insert "and" after the semicolon.

On page 385, between lines 22 and 23, insert the following:

"(C) enhance the ability of teachers to work with special education populations, including—

"(i) gifted and talented children;

"(ii) limited-English proficient children;

"(iii) children with disabilities; and,

"(iv) economically and educationally disadvantaged children;

On page 387, line 10, strike "education" and insert "educational".

On page 387, lines 19 and 20, strike "peers, the principal and the" and insert "peers and the applicant's principal and".

On page 387, line 23, strike "is" and insert "are".

On page 389, lines 6 and 7, strike "professional development school" and insert "Professional Development Academy".

On page 389, lines 18 and 19, strike "professional development school" and insert "Professional Development Academy".

On page 393, line 1, strike "professional development schools" and insert "Professional Development Academies".

On page 393, line 2, strike "entity" and insert "entities".

On page 394, line 5, strike "professional development schools" and insert "Professional Development Academies".

On page 395, line 15, strike "INTERIM".

On page 401, line 18, insert "members of populations that are" before "underrepresented".

On page 403, line 22, strike "or associate's".

On page 407, line 6, strike "local educational agency served by" and insert "the local educational agency exercising administrative control or direction of, or performing a service function for".

On page 410, line 9, strike the comma after "nationwide".

On page 410, line 11, insert a comma before "and".

On page 411, line 20, strike "and".

On page 411, line 24, strike the period and insert a semicolon and "and".

On page 411, after line 24, insert the following:

"(4) enhance the ability of teachers and administrators to work with parents or social service agencies, especially in localities with high concentrations of special education populations.

On page 413, line 2, strike "chapter" and insert "sections".

On page 416, line 11, strike "and".

On page 416, between lines 11 and 12, insert the following:

"(15) an assurance that the Academies for Teachers shall provide activities designed to enhance the ability of teachers to work with special educational populations, including—

"(A) limited-English proficient children;

"(B) children with disabilities;

"(C) economically and educationally disadvantaged children; and

"(D) gifted and talented children; and

On page 416, line 12, strike "(15)" and insert "(16)".

On page 418, line 9, strike "provide" and insert "provides".

On page 419, line 22, strike "and".

On page 419, line 23, strike the period and insert " , the Commonwealth of the Northern Mariana Islands, Guam, American Samoa, and the Republic of Palau (until the Compact of Free Association is ratified)."

On page 423, line 15, insert "are drug- or alcohol-exposed," after "proficient".

On page 423, line 17, strike "and".

On page 423, between lines 17 and 18, insert the following:

"(4) techniques for the integration of academic and vocational subject matter, including the application of such techniques in tech/prep education programs;

"(5) specialized training for teachers so that such teachers may counsel students about college opportunities, precollege requirements, the college admissions process, and financial aid opportunities; and

On page 423, line 18, strike "(4)" and insert "(6)".

On page 428, line 23, strike "and".

On page 428, after line 23, insert the following:

"(4) specialized training for guidance counselors and principals so that such individuals may counsel students about college opportunities, precollege requirements, the college admissions process, and financial aid opportunities; and

On page 429, line 1, strike "(4)" and insert "(5)".

On page 435, line 4, insert "attending Academies" after "teachers".

On page 438, line 15, insert a comma after "administrators".

On page 438, line 23, insert "are drug- or alcohol-exposed," after "proficient".

On page 439, line 11, insert a comma after "Teachers".

On page 443, insert "academy" after "teacher".

On page 448, line 22, insert "or principal" after "teacher".

On page 457, line 11, insert "at least" after "for".

On page 460, line 9, strike "videotapes, and" and insert "videotapes and".

On page 460, line 20, insert "schools in" before "urban".

On page 461, line 13, strike "teacher staff" and insert "staff training".

On page 464, line 25, strike "of the" and insert "in the".

On page 465, line 7, strike "care and" and insert "care providers, and".

On page 465, line 8, insert "providers" after "care".



On page 465, after line 25, insert the following:

"(13) An early childhood development teacher and an early childhood development director.

"(14) An organization representing early childhood development and staff.

On page 469, line 19, insert "the number of individuals receiving a degree, license, or credential in early childhood development," before "and".

On page 469, line 24, strike "January 1" and insert "June 30".

On page 470, line 5, strike "September 1997" and insert "January 1988".

On page 470, line 19, strike the end quotation marks and the second period.

On page 470, between lines 19 and 20, insert the following:

**"PART M—CLASS SIZE DEMONSTRATION GRANT"**

**"SEC. 599AA. PURPOSE."**

"It is the purpose of this part to provide grants to local educational agencies to enable such agencies to determine the benefits in various school settings of reducing class size on the educational performance of students and on classroom management and organization.

**"SEC. 599BB. PROGRAM AUTHORIZED."**

"(a) PROGRAM AUTHORIZED.—

"(1) IN GENERAL.—The Secretary shall carry out a program of awarding grants, in accordance with the provisions of this part, to local educational agencies to pay the Federal share of the costs of conducting demonstration projects that demonstrate methods of reducing class size which may provide information meaningful to other State and local educational agencies.

"(2) FEDERAL SHARE.—The Federal share shall be 50 percent.

"(b) RESERVATION.—The Secretary may reserve not more than 5 percent of the amount appropriated pursuant to the authority of section 599FF in each fiscal year to carry out the evaluation activities described in section 599EE.

"(c) SELECTION CRITERIA.—The Secretary shall make grants to local educational agencies on the basis of—

"(1) the need and the ability of a local educational agency to reduce the class size of an elementary or secondary school served by such agency;

"(2) the ability of a local educational agency to furnish the non-Federal share of the costs of the demonstration project for which assistance is sought;

"(3) the ability of a local educational agency to continue the project for which assistance is sought after the termination of Federal financial assistance under this part; and

"(4) the degree to which a local educational agency demonstrates in the application submitted pursuant to section 599DD consultation in program implementation and design with parents, teachers, school administrators, and local teacher organizations, where applicable.

"(d) PRIORITY.—In awarding grants under this part, the Secretary shall give priority to demonstration projects that involve at-risk students, including educationally or economically disadvantaged students, students with disabilities, limited-English proficient students, and young students.

"(e) GRANTS MUST SUPPLEMENT OTHER FUNDS.—A local educational agency shall use the Federal funds received under this part to supplement and not supplant other Federal, State and local funds available to the local educational agency.

**"SEC. 599CC. PROGRAM REQUIREMENTS."**

"(a) ANNUAL COMPETITION.—In each fiscal year, the Secretary shall announce the factors to be examined in a demonstration project assisted under this part. Such factors may include—

"(1) the magnitude of the reduction in class size to be achieved;

"(2) the level of education and the subject areas in which the demonstration projects shall occur;

"(3) the form of the instructional strategy to be demonstrated; and

"(4) the duration of the project.

"(b) RANDOM TECHNIQUES AND APPROPRIATE COMPARISON GROUPS.—Demonstration projects assisted under this part shall be designed to utilize randomized techniques or appropriate comparison groups, where feasible.

**"SEC. 599DD. APPLICATION."**

"(a) IN GENERAL.—In order to receive a grant under this part a local educational agency shall submit an application to the Secretary that is responsive to the announcement described in section 599CC(a), at such time, in such manner, and containing or accompanied by such information as the Secretary may reasonably require.

"(b) DURATION.—The Secretary shall encourage local educational agencies to submit applications under this part for a period of 3 years.

"(c) CONTENTS.—Each application submitted pursuant to subsection (a) shall include—

"(1) a description of the objectives to be attained with the financial assistance made available under this part and the manner in which such financial assistance shall be used to reduce class size;

"(2) a description of the steps to be taken to achieve target class sizes, including, where applicable, the acquisition of additional teaching personnel and classroom space;

"(3) a statement of the methods for the collection of data necessary for the evaluation of the impact of class size reduction programs on student achievement;

"(4) an assurance that the local educational agency shall pay from non-Federal sources the non-Federal share of the costs of the demonstration project for which assistance is sought; and

"(5) such additional assurances as the Secretary may reasonably require.

"(d) SUFFICIENT SIZE AND SCOPE REQUIRED.—The Secretary shall only award grants under this part to applicants having applications which describe projects of sufficient size and scope to contribute to carrying out the purposes of this part.

**"SEC. 599EE. EVALUATION AND DISSEMINATION."**

"(a) NATIONAL EVALUATION.—The Secretary shall conduct a national evaluation of the demonstration projects assisted under this part to determine the costs incurred in achieving the reduction in class size and the effects of the reductions on outcomes, such as student performance in the affected subjects or grades, attendance, discipline, classroom organization, management, and teacher satisfaction and retention.

"(b) COOPERATION.—Each local educational agency receiving a grant under this part shall cooperate in the national evaluation described in subsection (a) and shall provide such information to the Secretary as the Secretary may reasonably require.

"(c) REPORTS.—The Secretary shall report to the Congress on the results of the evaluation conducted pursuant to subsection (a).

"(d) DISSEMINATION.—The Secretary shall widely disseminate information about the

results of the class size demonstration projects assisted under this part.

**"SEC. 599FF. AUTHORIZATION OF APPROPRIATIONS."**

"There are authorized to be appropriated \$5,000,000 for fiscal year 1993, and such sums as may be necessary for each of the 6 succeeding fiscal years to carry out this part.

**"PART N—NATIONAL FOUNDATION FOR EXCELLENCE"**

**"SEC. 599GG. SHORT TITLE."**

"This part may be cited as the "National Foundation for Excellence Act".

**"SEC. 599HH. FOUNDATION AUTHORIZED."**

"There is established a National Foundation for Excellence (hereafter in this part referred to as the "Foundation").

**"SEC. 599II. NATIONAL FOUNDATION FOR EXCELLENCE TRUST FUND."**

"(a) ESTABLISHMENT.—There is hereby established within the Treasury of the United States a trust fund to be known as the National Foundation for Excellence Trust Fund (hereafter in this section referred to as the "Trust Fund"), consisting of such amounts as may be appropriated to the Trust Fund pursuant to the authority of section 599PP.

**"(b) TRUSTEE AND REPORT.—"**

"(1) IN GENERAL.—The Secretary of the Treasury shall be the trustee of the Trust Fund, and shall submit an annual report to the Committees on Finance and Labor and Human Resources of the Senate and the Committees on Ways and Means and Education and Labor of the House of Representatives regarding—

"(A) the financial condition and the results of the operations of the Trust Fund during the fiscal year preceding the fiscal year in which such report is submitted; and

"(B) the expected condition and operations of the Trust Fund during the fiscal year in which such report is submitted.

"(2) PRINTING.—The report described in paragraph (1) shall be printed as a House document of the session of the Congress to which the report is made.

**"(c) INVESTMENT.—"**

"(1) IN GENERAL.—The Secretary of the Treasury shall invest such portion of the Trust Fund as, in the Secretary's judgment, is not required to meet current withdrawals. Such investments may be made only in interest-bearing obligations of the United States. For such purpose, such obligations may be acquired—

"(A) on original issue at the issue price, or

"(B) by purchase of outstanding obligations at the market price.

"(2) SALE OF OBLIGATION.—Any obligation acquired by the Trust Fund may be sold by the Secretary of the Treasury at the market price.

"(3) INTEREST AND PROCEEDS.—The interest on, and the proceeds from the sale or redemption of, any obligations held in the Trust Fund shall be credited to and form a part of the Trust Fund.

**"(d) USE OF TRUST FUNDS.—"**

"(1) IN GENERAL.—(A) Amounts in the Trust Fund shall be available to the Foundation to enable the Foundation to award scholarships in accordance with the provisions of this part.

"(B) Amounts in the Trust Fund shall only be available to the Foundation after the Foundation has obtained the non-Federal share of the scholarships to be awarded.

"(2) SPECIAL RULE.—In fiscal year 1993 and succeeding fiscal years, amounts in the Trust Fund shall be available to the Secretary, in equal amounts, to carry out the provisions of subpart 1 of part D of title V, and part E of such title, respectively.

**"SEC. 599JJ. NATIONAL FOUNDATION FOR EXCELLENCE BOARD.**

"(a) IN GENERAL.—There is established a National Foundation for Excellence Board (hereafter in this part referred to as the "Board").

"(b) COMPOSITION.—The Board shall be composed of 20 members as follows:

"(1) 11 members appointed by the President, of which—

"(A) at least 4 such members shall have 10 years of experience in education; and

"(B) at least 2 of the members described in subparagraph (A) shall be classroom teachers;

"(2) 1 Member of the Senate appointed by the Majority Leader of the Senate;

"(3) 1 Member of the Senate appointed by the Minority Leader of the Senate;

"(4) 1 Member of the House of Representatives appointed by the Speaker of the House of Representatives;

"(5) 1 Member of the House of Representatives appointed by the Minority Leader of the House of Representatives;

"(6) 1 individual appointed by the Majority Leader of the Senate;

"(7) 1 individual appointed by the Minority Leader of the Senate;

"(8) 1 individual appointed by the Speaker of the House of Representatives;

"(9) 1 individual appointed by the Minority Leader of the House of Representatives; and

"(10) the Executive Director of the Foundation, who shall serve as an ex officio, nonvoting member of the Board.

"(c) FUNCTIONS.—The Board shall establish general policies with respect to the functions of the Foundation under this part, including—

"(1) guidelines for awarding scholarships to eligible individuals; and

"(2) procedures for the approval of applications submitted pursuant to section 599KK(h).

"(d) EXECUTIVE DIRECTOR.—

"(1) IN GENERAL.—The Executive Director of the Foundation shall be selected by the Board and shall be the chief executive officer of the Foundation and shall carry out the functions of the Foundation subject to the supervision and direction of the Board.

"(2) COMPENSATION.—The Executive Director of the Foundation shall be compensated at the rate specified for employees in level IV of the Executive Schedule set forth in section 5332 of title 5 of the United States Code.

"(e) EXPENSES AND TRAVEL.—

"(1) EXPENSES.—Members of the Board shall be reimbursed for expenses incurred while engaged in the business of the Board.

"(2) TRAVEL.—Members of the Board may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for persons employed in Government service.

"(f) AUTHORITY TO APPOINT COMMITTEES.—The Foundation may appoint committees to carry out the provisions of this part.

**"SEC. 599KK. SCHOLARSHIPS.**

"(a) IN GENERAL.—From amounts available pursuant to section 599II(d), the Foundation shall pay the Federal share of awarding scholarships to eligible individuals to enable such eligible individuals to pursue careers in teaching.

"(b) FEDERAL SHARE.—The Federal share shall be 50 percent.

"(c) ELIGIBLE INDIVIDUALS.—For the purposes of this part the term 'eligible individual' means an individual who—

"(1) has received, or is a finalist for, a Paul Douglas Scholarship or Teacher Corps Scholarship; or

"(2) shows exceptional talent in a particular field or as an overall student and who meets the eligibility requirements for either a Paul Douglas Scholarship or Teacher Corps Scholarship, as determined by the Foundation.

"(d) ELIGIBILITY.—

"(1) IN GENERAL.—Except as provided in paragraph (2), the Foundation shall award scholarships under this part only to eligible individuals who are eligible to receive a Stafford loan.

"(2) SPECIAL RULE.—If in any fiscal year the Foundation has awarded scholarships to all applicants who are described in paragraph (1), then the Foundation may award scholarships to eligible individuals in such fiscal year on the basis of criteria established by the Foundation.

"(e) PRIORITY.—In awarding scholarships under this part among equally qualified eligible individuals, as determined by the Board, the Foundation shall give priority to eligible individuals from disadvantaged backgrounds, including racial and ethnic minorities and individuals with disabilities, who are underrepresented in the teaching professions or in the curricula areas in which such eligible individuals are preparing to teach.

"(f) GEOGRAPHIC DISTRIBUTION.—In awarding scholarships under this part the Foundation shall ensure an equitable geographic distribution of such scholarships.

"(g) DONATIONS; SPECIAL RULE.—

"(1) DONATIONS.—The Foundation is authorized to accept donations. Any donation received by the Foundation shall be used by the Foundation to award scholarships in accordance with the provisions of this part.

"(2) SPECIAL RULE.—The Foundation may use not more than one-third of any donation received by the Foundation pursuant to paragraph (1) to award scholarships to students in a State or locality specified by the donor.

"(h) APPLICATIONS.—Each eligible individual desiring a scholarship under this part shall submit an application to the Foundation at such time, in such manner and containing or accompanied by such information as the Foundation may reasonably require.

**"SEC. 599LL. DURATION AND RELATION TO OTHER ASSISTANCE.**

"(a) DURATION.—Scholarships awarded under this part shall be awarded for a maximum of 4 years of undergraduate study and 2 years of graduate study.

"(b) CONSIDERATION OF AWARD IN OTHER PROGRAMS.—Notwithstanding the provisions of title IV, scholarship funds awarded pursuant to this part shall be considered in determining eligibility for student assistance under such title.

"(c) ASSISTANCE NOT TO EXCEED COST OF ATTENDANCE.—Scholarship assistance awarded under this part to any eligible individual in any fiscal year, when added to scholarship assistance received under subpart 1 of part D of title V and part E of such title shall not exceed the cost of attendance, as defined in section 472, at the institution of higher education such individual is attending. If the amount of the scholarship assistance received under this part and subpart 1 of part D of title V, part E of such title and title IV exceeds such cost of attendance, the assistance received under subpart 1 of part D of title V, part E of such title and title IV shall be reduced by an amount equal to the amount by which the combined awards exceed such cost of attendance.

**"SEC. 599MM. SCHOLARSHIP CONDITIONS.**

"Each eligible individual receiving scholarship assistance under this part shall con-

tinue to receive such scholarship payments only during such period that the eligible individual is—

"(1) enrolled as a full-time student in an institution of higher education;

"(2) pursuing a course of study leading to teacher certification; and

"(3) maintaining satisfactory progress as determined by the institution of higher education the recipient is attending.

**"SEC. 599NN. TEACHING COMMITMENT.**

"(a) IN GENERAL.—Each eligible individual receiving a scholarship under this part who has entered into an agreement to teach pursuant to the provisions of section 543(b)(4) or 566(a)(4) shall incur no additional teaching commitment pursuant to a scholarship award received under this part.

"(b) SPECIAL RULE.—Each eligible individual who receives a scholarship under this part and who has not entered into an agreement to teach pursuant to the provisions of section 543(b)(4) or 566(a)(4) shall enter into an agreement with the Foundation. Each such agreement shall require that the eligible individual teach in an elementary or secondary school described in section 561(d) in accordance with the provisions of section 566(a)(4) which are not inconsistent with the provisions of this subsection for a period of at least 2 years and not more than 6 years, as determined by the Foundation.

**"SEC. 599OO. SCHOLARSHIP REPAYMENT PROVISIONS.**

"(a) REPAYMENT REQUIRED.—An eligible individual found by the Foundation to be in noncompliance with the agreement entered into under section 599NN(b) shall be required to repay to the Foundation a pro rata amount of the scholarship awards received, plus interest (but in no event at an interest rate higher than the rate applicable to loans in the applicable period under title IV) and, where applicable, reasonable collection fees, on a schedule and at a rate of interest to be prescribed by the Foundation.

"(b) EXCEPTIONS TO REPAYMENT PROVISIONS.—An eligible individual shall not be considered to be in violation of the agreement entered into pursuant to section 599NN(b) during any period in which such individual meets the exception to repayment provisions set forth in section 548(a)(1), 548(a)(2), 548(a)(3), or 548(b), or if the individual dies.

"(c) USE OF REPAYMENTS.—Any repayments made to the Foundation pursuant to the provisions of this section shall be used by the Foundation to award additional scholarships in accordance with the provisions of this part.

"(d) WAIVER.—The Secretary may provide for the partial or total waiver or suspension of any service obligation or repayment by an individual who received a scholarship under this part whenever compliance by such individual is impossible or would involve extreme hardship to such individual, or if enforcement of such obligation with respect to such individual would be unconscionable.

**"SEC. 599PP. AUTHORIZATION OF APPROPRIATION.**

"(a) IN GENERAL.—There are authorized to be appropriated \$500,000 for fiscal year 1993 to carry out the provisions of this part.

"(b) SPECIAL RULE.—Section 414 of the General Education Provisions Act shall not apply to the provisions of this part.

"PART O—TRAINING IN EARLY CHILDHOOD EDUCATION AND VIOLENCE COUNSELING

**"SEC. 599QQ. SHORT TITLE.**

"This part may be cited as the 'Early Childhood Teacher Training and Violence Counseling Act'.



**"SEC. 599RR. PROGRAM AUTHORIZED.**

"The Secretary shall award grants to institutions of higher education to enable such institutions to establish innovative programs to recruit and train students for careers in—

"(1) early childhood development and care, or preschool programs; or

"(2) providing counseling to young children from birth to 6 years of age who have been affected by violence and to adults who work with such young children.

**"SEC. 599SS. APPLICATION AND PLAN.**

"(a) APPLICATION.—An institution of higher education desiring a grant under this part shall submit an application to the Secretary at such time, in such form and containing or accompanied by such information or assurances as the Secretary may require. Each such application shall—

"(1) describe the activities and services for which assistance is sought;

"(2) contain a plan in accordance with subsection (b);

"(3) demonstrate that such institution has the capacity to implement such plan; and

"(4) provide assurances that such plan was developed in consultation with agencies and organizations that will assist the institution in carrying out such plan.

"(b) PLAN.—Each application described in subsection (a) shall contain a comprehensive plan for the recruitment, retention and training of students seeking careers in early childhood development or violence counseling. Such plan shall include a description of—

"(1) specific strategies for reaching students at secondary schools, community colleges, undergraduate institutions, or other agencies and institutions from which such students are to be drawn for participation in the program, including any partnerships with such institutions;

"(2) specific strategies for retaining such students in the program, such as summer sessions, internships, mentoring, and other activities;

"(3) methods that will be used to ensure that students trained pursuant to the plan will find employment in early childhood education, development and care, or violence counseling;

"(4) the goals, objectives, and timelines to be used in assessing the success of the plan and of the activities assisted under this part;

"(5) the curriculum and training leading to the degree or credential that prepares students for the careers described in the plan;

"(6) the special plans, if any, to assure that students trained pursuant to the plan will be prepared for serving in economically disadvantaged areas; and

"(7) sources of financial aid, to ensure that the training program offered pursuant to this part is available to all qualified students.

**"SEC. 599TT. USE OF FUNDS.**

"An institution of higher education may use funds provided under this part to engage in activities described in the application and plan submitted pursuant to section 599SS.

**SEC. 599UU. SELECTION AND PRIORITIES.**

"In evaluating the applications submitted under this part, the Secretary shall prescribe competitive criteria regarding such evaluation and shall give priority in granting funds to institutions that—

"(1) prepare students for work in economically disadvantaged areas;

"(2) plan to focus their recruitment, retention, and training efforts on disadvantaged students; and

"(3) have demonstrated effectiveness in providing the type of training for which the institution seeks assistance under this part.

**"SEC. 599VV. DURATION AND AMOUNT.**

"(a) DURATION.—A grant under this part shall be awarded for a period of not less than 3 years nor more than 5 years.

"(b) AMOUNT.—The total amount of the grant awarded under this part to any institution of higher education for any 1 year shall not be less than \$500,000 nor more than \$1,000,000.

**"SEC. 599WW. REPORT.**

"An institution of higher education receiving a grant under this part shall submit to the Secretary program reports and evaluations at such times and containing such information as the Secretary may require.

**"SEC. 599XX. AUTHORIZATION OF APPROPRIATIONS.**

"There are authorized to be appropriated \$10,000,000 for fiscal year 1993 and such sums as may be necessary for each of the 6 succeeding fiscal years to carry out this part."

On page 481, strike lines 8 through 11, and insert the following:

(1) in subsection (a)—

(A) by striking "609" and inserting "610A";

(B) by striking "1987" and inserting "1992"; and

(C) by striking "4 succeeding" and inserting "6 succeeding";

On page 483, line 24, strike "\$60,000,000" and insert "\$62,000,000".

On page 487, lines 2 and 3, strike "education, or consortia thereof, with" and insert "education or consortia thereof that have linkages with institutions operating international studies programs or with a national resource center and have".

On page 490, line 21, insert "in this title" before the comma.

On page 491, strike line 13.

On page 491, line 14, strike "(3)" and insert "(2)".

On page 491, line 15, strike "and D" and insert "and E".

On page 491, line 16, strike "(4)" and insert "(3)".

On page 491, line 20, strike "(5)" and insert "(4)".

On page 491, strike lines 22 and 23, and insert the following:

(5) by redesignating sections 781, 782 and 783 as sections 751, 752 and 753, respectively.

On page 492, line 2, strike "(4)" and insert "(3)".

On page 492, line 11, strike "(4)" and insert "(3)".

On page 492, line 21, strike "741" and insert "752".

On page 492, line 22, strike "(6)" and insert "(5)".

On page 493, line 1, strike "742" and insert "753".

On page 493, line 2, strike "(6)" and insert "(5)".

On page 493, line 5, strike "(3)" and insert "(2)".

On page 501, line 12, strike "(5)" and insert "(4)".

On page 502, line 14, strike "(5)" and insert "(4)".

On page 502, line 22, strike "(3)" and insert "(2)".

On page 504, line 25, strike "(5)" and insert "(4)".

On page 505, between lines 13 and 14, insert the following:

**SEC. 708. HISTORICALLY BLACK COLLEGE AND UNIVERSITY CAPITAL FINANCING.**

Title VII of the Act is further amended by adding before part E (as redesignated by section 701(a)(2)) the following new part:

**"PART D—HISTORICALLY BLACK COLLEGE AND UNIVERSITY CAPITAL FINANCING****"SEC. 741. FINDINGS.**

"The Congress finds that—

"(1) a significant part of the Federal mission in education has been to attain equal opportunity in higher education for low-income, educationally disadvantaged Americans and African Americans;

"(2) the Nation's historically Black colleges and universities have played a prominent role in American history and have an unparalleled record of fostering the development of African American youth by recognizing their potential, enhancing their academic and technical skills, and honing their social and political skills through higher education;

"(3) the academic and residential facilities on the campuses of all historically Black colleges and universities have suffered from neglect, deferred maintenance and are in need of capital improvements in order to provide appropriate settings for learning and social development through higher education;

"(4) due to their small enrollments, limited endowments and other financial factors normally considered by lenders in construction financing, historically Black colleges and universities often lack access to the sources of funding necessary to undertake the necessary capital improvements through borrowing and bond financing;

"(5) despite their track record of long-standing and remarkable institutional longevity and viability, historically Black colleges and universities often lack the financial resources necessary to gain access to traditional sources of capital financing such as bank loans and bond financing; and

"(6) Federal assistance to facilitate low-cost capital basis for historically Black colleges and universities will enable such colleges and universities to continue and expand their educational mission and enhance their significant role in American higher education.

**"SEC. 742. DEFINITIONS.**

"For the purposes of this part—

"(1) The term 'eligible institution' means a 'part B institution' as that term is defined in section 322(2) of the Higher Education Act of 1965 (20 U.S.C. 1061(2)).

"(2) The term 'loan' means a loan made to an eligible institution under the provisions of this part and pursuant to an agreement with the Secretary.

"(3) The term 'qualified bond' means any obligation issued by the designated bonding authority at the direction of the Secretary, the net proceeds of which are loaned to an eligible institution for the purposes described in section 743(b).

"(4) The term 'funding' means any payment under this part from the Secretary to the eligible institution or its assignee in fulfillment of the insurance obligations of the Secretary pursuant to an agreement under section 743.

"(5) The term 'capital project' means, subject to section 744(b) the repair, renovation, or, in exceptional circumstances replacement, of—

"(A) any classroom facility, library, laboratory facility, dormitory (including dining facilities) or other facility customarily used by colleges and universities for instructional or research purposes or for housing students, faculty, and staff;

"(B) instructional equipment, research instrumentation, and any capital equipment or

fixture related to facilities described in subparagraph (A);

"(C) any other facility, equipment or fixture which is essential to the maintaining of accreditation of the member institution by a nationally recognized accrediting agency or association; and

"(D) any real property or interest therein underlying facilities described in subparagraph (A) or (C).

"(6) The term 'interest' includes accredited value or any other payment constituting interest on an obligation.

"(7) The term 'outstanding', when used with respect to bonds, shall not include bonds the payment of which shall have been provided for by the irrevocable deposit in trust of obligations maturing as to principal and interest in such amounts and at such times as will ensure the availability of sufficient moneys to make payments on such bonds.

"(8) The term 'designated bonding authority' means the private, for-profit corporation selected by the Secretary pursuant to section 745(1) for the purpose of issuing taxable construction bonds in furtherance of the purposes of this part.

#### "SEC. 743. FEDERAL INSURANCE FOR BONDS.

"(a) GENERAL RULE.—Subject to the limitations in section 744, the Secretary is authorized to enter into insurance agreements to provide financial insurance to guarantee the full payment of principal and interest on qualified bonds upon the conditions set forth in subsections (b), (c) and (d).

"(b) RESPONSIBILITIES OF THE DESIGNATED BONDING AUTHORITY.—The Secretary may not enter into an insurance agreement described in subsection (a) unless the Secretary designates a qualified bonding authority in accordance with sections 745(1) and 746 and the designated bonding authority agrees in such agreement to—

"(1) use the proceeds of the qualified bonds, less costs of issuance not to exceed 2 percent of the principal amount thereof, to make loans to eligible institutions or for deposit into an escrow account for repayment of the bonds;

"(2) provide in each loan agreement with respect to a loan that not less than 95 percent of the proceeds of the loan will be used—

"(A) to finance the repair, renovation, and, in exceptional cases, replacement of a capital project; or

"(B) to refinance an obligation the proceeds of which were used to finance the repair, renovation, and, in exceptional cases, replacement of a capital project;

"(3)(A) charge such interest on loans, and provide for such a schedule of repayments of loans, as will, upon the timely repayment of the loans, provide adequate and timely funds for the payment of principal and interest on the bonds; and

"(B) require that any payment on a loan expected to be necessary to make a payment of principal and interest on the bonds be due not less than 60 days prior to the date of the payment on the bonds for which such loan payment is expected to be needed;

"(4) prior to the making of any loan, provide for a credit review of the institution receiving the loan and assure the Secretary that, on the basis of such credit review, it is reasonable to anticipate that the institution receiving the loan will be able to repay the loan in a timely manner pursuant to the terms thereof;

"(5) provide in each loan agreement with respect to a loan that, if a delinquency on such loan results in a funding under the in-

surance agreement, the institution obligated on such loan shall repay the Secretary, upon terms to be determined by the Secretary, for such funding;

"(6) assign any loans to the Secretary, upon the demand of the Secretary, if a delinquency on such loan has required a funding under the insurance agreement;

"(7) in the event of a delinquency on a loan, engage in such collection efforts as the Secretary shall require for a period of not less than 45 days prior to requesting a funding under the insurance agreement;

"(8) establish an escrow account—

"(A) into which each eligible institution shall deposit 20 percent of the proceeds of any loan made under this part; and

"(B) the balance of which—

"(i) shall be available to the Secretary to pay principal and interest on the bonds in the event of delinquency in loan repayment; and

"(ii) when all bonds under this part are retired or canceled, shall be divided among the eligible institutions making deposits into such account on the basis of the amount of each such institution's deposit;

"(9) provide in each loan agreement with respect to a loan that, if a delinquency on such loan results in amounts being withdrawn from the escrow account to pay principal and interest on bonds, subsequent payments on such loan shall be available to replenish such escrow account;

"(10) comply with the limitations set forth in section 744 of this part; and

"(11) make loans only to eligible institutions under this part in accordance with regulations prescribed by the Secretary to ensure that loans are fairly allocated among as many eligible institutions as possible, consistent with making loans of amounts that will permit capital projects of sufficient size and scope to significantly contribute to the educational program of the eligible institutions.

"(c) ADDITIONAL AGREEMENT PROVISIONS.—Any insurance agreement described in subsection (a) of this section shall provide as follows:

"(1) The payment of principal and interest on bonds shall be insured by the Secretary until such time as such bonds have been retired or canceled.

"(2) The Federal liability for delinquencies and default for bonds guaranteed under this part shall only become effective upon the exhaustion of all the funds held in the escrow account described in subsection (b)(8).

"(3) The Secretary shall create a letter of credit authorizing the Treasury Department to disburse funds to the designated bonding authority or its assignee.

"(4) The letter of credit shall be drawn upon in the amount determined by paragraph (5) of this subsection upon the certification of the designated bonding authority to the Secretary or the Secretary's designee that there is a delinquency on 1 or more loans and there are insufficient funds available from loan repayments and the escrow account to make a scheduled payment of principal and interest on the bonds.

"(5) Upon receipt by the Secretary or the Secretary's designee of the certification described in paragraph (4) of this subsection, the designated bonding authority may draw a funding under the letter of credit in an amount equal to—

"(A) the amount required to make the next scheduled payment of principal and interest on the bonds; less

"(B) the amount available to the designated bonding authority from loan repayments and the escrow account.

"(6) All fundings under the letter of credit shall be paid to the designated bonding authority within 2 business days following receipt of the certification described in paragraph (4).

"(d) FULL FAITH AND CREDIT PROVISIONS.—Subject to section 743(c)(1) the full faith and credit of the United States is pledged to the payment of all fundings which may be required to be paid under the provisions of this section.

#### "SEC. 744. LIMITATIONS ON FEDERAL INSURANCE FOR BONDS ISSUED BY THE DESIGNATED BONDING AUTHORITY.

"(a) LIMIT ON AMOUNT.—At no time shall the aggregate principal amount of outstanding bonds insured under this part together with any accrued unpaid interest thereon exceed \$250,000,000, of which—

"(1) not more than \$175,000,000 shall be used for loans to eligible institutions that are private historically Black colleges and universities; and

"(2) not more than \$75,000,000 shall be used for loans to eligible institutions which are historically Black public colleges and universities.

"(b) LIMITATION ON CREDIT AUTHORITY.—The authority of the Secretary to issue letters of credit and insurance under this part is effective only to the extent provided in advance by appropriations Acts.

"(c) RELIGIOUS ACTIVITY PROHIBITION.—No loan may be made under this part for any educational program, activity or service related to sectarian instruction or religious worship or provided by a school or department of divinity or to an institution in which a substantial portion of its functions is subsumed in a religious mission.

"(d) DISCRIMINATION PROHIBITION.—No loan may be made to an institution under this part if the institution discriminates on account of race, color, religion, national origin, sex (to the extent provided in title IX of the Education Amendments of 1972), or handicapping condition; except that the prohibition with respect to religion shall not apply to an institution which is controlled by or which is closely identified with the tenets of a particular religious organization if the application of this section would not be consistent with the religious tenets of such organization.

#### "SEC. 745. AUTHORITY OF THE SECRETARY.

"In the performance of, and with respect to, the functions vested in the Secretary by this part, the Secretary—

"(1) shall, within 120 days of enactment of the Higher Education Amendments of 1991, publish in the Federal Register a notice and request for proposals for any private for-profit organization or entity wishing to serve as the designated bonding authority under this part, which notice shall—

"(A) specify the time and manner for submission of proposals; and

"(B) specify any information, qualifications, criteria, or standards the Secretary determines to be necessary to evaluate the financial capacity and administrative capability of any applicant to carry out the responsibilities of the designated bonding authority under this part;

"(2) may sue and be sued in any court of record of a State having general jurisdiction or in any district court of the United States, and such district courts shall have jurisdiction of civil actions arising under this part without regard to the amount in controversy, and any action instituted under this part without regard to the amount in controversy, and any action instituted under this section by or against the Secretary shall



survive notwithstanding any change in the person occupying the office of the Secretary or any vacancy in such office;

"(3)(A) may foreclose on any property and bid for and purchase at any foreclosure, or any other sale, any property in connection with which the Secretary has been assigned a loan pursuant to this part; and

"(B) in the event of such an acquisition, notwithstanding any other provisions of law relating to the acquisition, handling, or disposal of real property by the United States, complete, administer, remodel and convert, dispose of, lease, and otherwise deal with, such property, except that—

"(i) such action shall not preclude any other action by the Secretary to recover any deficiency in the amount of a loan assigned to the Secretary; and

"(ii) any such acquisition of real property shall not deprive any State or political subdivision thereof of its civil or criminal jurisdiction in and over such property or impair the civil rights under the State or local laws of the inhabitants on such property;

"(4) may sell, exchange, or lease real or personal property and securities or obligations; and

"(5) may include in any contract such other covenants, conditions, or provisions necessary to ensure that the purposes of this part will be achieved.

#### **"SEC. 746. PROHIBITION.**

"No institution that receives a loan under this part shall also receive a grant under part A of this title."

On page 505, line 14, strike "708" and insert "709".

On page 505, line 15, strike "Part D" and insert "Part E".

On page 505, strike lines 15 through 17, and insert the following:

Part D of title VII of the Act (as redesignated in section 701(a)(2)) is amended—

(1) in section 741 (as redesignated in section 701(a)(5))—

(A) in subsection (a), by striking "part A or B" and inserting "part A"; and

(B) in subsection (b), by striking "part A or B" and inserting "part A"; and

(2) by adding at the end the following new section:

On page 505, line 18, strike "743" and insert "744".

On page 505, line 8, insert "a facility at" after "means".

On page 506, line 8, strike "one-half" and insert "one-third".

On page 514, beginning with line 24, strike all through page 515, line 2.

On page 515, line 3, strike "(3)" and insert "(2)".

On page 524, line 2, strike "other than".

On page 542, line 19, strike "\$500,000" and insert "\$750,000".

On page 547, strike lines 3 through 12, and insert the following:

"(1) IN GENERAL.—An academic department or program of an institution of higher education shall make commitments to graduate students (including students pursuing a doctoral degree after having completed a master's degree program at an institution of higher education) at any point in their graduate study to provide stipends for the length of time necessary for a student to complete the course of graduate study, but in no case longer than 5 years.

On page 557, line 5, strike "repeal of title" and insert "urban community service".

On page 557, line 15, insert "crime," after "housing".

On page 557, line 18, strike "eligible" and insert "urban".

On page 558, line 9, strike "eligible" and insert "urban".

On page 560, line 18, insert "and individuals with disabilities" after "elderly".

On page 560, strike lines 21 and 22, and insert the following:

"(7) Campus and community crime prevention, including enhanced security and safety awareness measures as well as coordinated programs addressing the root causes of crime.

On page 562, line 15, strike "eligible" and insert "urban".

On page 563, line 24, strike "\$15,000,000" and insert "\$20,000,000".

On page 567, strike lines 5 through 10, and insert the following:

"(B) A specified percentage or ratio of current assets to current liabilities of at least 1:1, which—

"(i) shall not include as an asset unearned tuition, intangible assets, or Federal or State student financial assistance for future disbursements; and

"(ii) in the case of institutions of higher education which own and occupy their facilities (land and buildings) may include equity (the difference between book cost and mortgage owed) as a current asset.

On page 589, strike lines 10 through 13 and insert: "delinquent loans pursuant to regulations issued by the Secretary";

On page 594, line 22, strike "Act" and insert "Higher Education Amendments of 1986".

On page 600, after line 24, insert the following:

#### **SEC. 1405. REPEAL OF NATIONAL SCIENCE SCHOLARS PROGRAM.**

Part A of title VI of the Excellence in Mathematics, Science and Engineering Education Act of 1990 (20 U.S.C. 5381 et seq.) is repealed.

On page 601, beginning with line 3, strike all through page 607, line 18, and insert the following:

#### **TITLE XV—NATIONAL CENTER FOR THE WORKPLACE**

##### **SEC. 1501. PURPOSE; DESIGNATION.**

It is the purpose of this title to address the problems created by the simultaneous convergence of broad economic, social, cultural, political, and technological changes in the workplace through a national center administered by the Department of Labor that will join together workplace experts from America's best institutions of higher education with experts from the public and private sectors to conduct research, share information, and propose remedies.

##### **SEC. 1502. ESTABLISHMENT.**

(a) ESTABLISHMENT.—

(1) IN GENERAL.—The Secretary of Labor is authorized to award a grant, on a competitive basis, to an eligible entity to enable such entity to establish the National Center for the Workplace (hereafter in this title referred to as the "Center").

(2) MATCHING FUNDS.—In order to receive the grant described in paragraph (1) an eligible entity shall provide matching funds from non-Federal sources equal to 25 percent of the funds received pursuant to such grant.

(b) DEFINITIONS.—For the purpose of this title the term "eligible entity" means a consortium of institutions of higher education that—

(1) represents a diversity of views on and an expertise in the field of employment policy; or

(2) is represented and coordinated by a host institution of higher education that meets the following criteria:

(A) Broad collective knowledge of and demonstrable experience in the wide range of employment and workplace issues.

(B) A faculty that represents a variety of viewpoints, demonstrates a nonpartisan approach to research and policy analysis in relevant workplace disciplines (labor economics, industrial relations, human resource management, sociology, psychology, and law) in a multidisciplinary approach to workplace issues.

(C) Established credibility and working relationships with employers, employees and government agencies.

##### **SEC. 1503. USE OF FUNDS.**

(a) CENTER ACTIVITIES.—Grant funds awarded under this title may be used to—

(1) establish and operate the Center;

(2) bring together major independent researchers, who represent a diversity of views in employment policy from the Center's member-institutions and are focused on the most significant workplace problems, with the aim of analysis and synthesis of employment policy implications and dissemination of findings; and

(3) support—

(A) the coordination and funding of research activities of the Center's member-institutions for collaborative collection and evaluation of data on changes and trends in the workplace and in the labor force;

(B) the analysis of the public policy implications of social and demographic changes in the United States as such changes relate to the workplace;

(C) the conduct of seminars for Federal and State policymakers on the Center's findings and foster continuous exchange of ideas and information;

(D) the conduct of a National Conference on employment policy not more frequently than once each year;

(E) the nonpartisan evaluation of the economic and social implications of national and international workplace and employment issues;

(F) the provision of ready access to the Center's collective expertise for policy officials in Federal and State governments and representatives of private and public sector organizations; and

(G) the development and administration of a national repository of information on key workplace issues that can be readily accessed by the public and private sector.

(b) FELLOWSHIPS.—Grant funds awarded under this title may also be used to provide graduate assistantships and fellowships at the Center to encourage graduate study of the field of employment policy and to encourage graduate research in areas that are seen as critical to national competitiveness.

##### **SEC. 1504. BOARD OF ADVISORS.**

(a) BOARD.—There shall be appointed a Board of Advisors to the Center that shall consist of representatives of the private and public sectors and of the member-institutions of the consortium. Two members of the Board shall be appointed by the Speaker of the House of Representatives, two members of the Board shall be appointed by the Minority Leader of the House of Representatives, two members of the Board shall be appointed by the President pro tempore of the Senate and two members of the Board shall be appointed by the Minority Leader of the Senate. In addition, the eligible entity awarded the grant under this title shall appoint two members to the Board.

(b) MEETINGS AND RESPONSIBILITIES.—The Board of Advisors shall meet from time to time, but no less than twice each year, to review and advise the Center with respect to

all aspects of its program. The Board shall submit an annual report to the Secretary of Education and the Secretary of Labor on the Center's activities and accomplishments.

#### SEC. 1505. GIFTS AND DONATIONS.

The Center is authorized to receive money and other property donated, bequeathed, or devised to the Center with or without a condition of restriction, for the purpose of furthering the activities of the Center. All funds or property given, devised, or bequeathed shall be retained in a separate account, and an accounting of those funds and property shall be included in the annual report of the Board of Advisors to the Secretary of Education and Secretary of Labor.

#### SEC. 1506. AUTHORIZATION.

(a) IN GENERAL.—There are authorized to be appropriated \$2,500,000 for fiscal year 1993 and such sums as may be necessary for each of the 6 succeeding fiscal years.

(b) AVAILABILITY.—Funds appropriated pursuant to the authority of subsection (a) shall remain available until expended.

### TITLE XVI—INDIAN HIGHER EDUCATION PROGRAMS

#### PART A—TRIBALLY CONTROLLED COMMUNITY COLLEGES

#### SEC. 1601. REAUTHORIZATION OF THE TRIBALLY CONTROLLED COMMUNITY COLLEGES ACT.

(a) GENERAL AUTHORIZATION.—Section 110(a) of the Tribally Controlled Community College Assistance Act of 1978 is amended to read as follows:

##### "APPROPRIATION AUTHORIZATION

"SEC. 110. (a)(1) There is authorized to be appropriated, for the purpose of carrying out section 105 \$3,200,000 for fiscal year 1993 and such sums as may be necessary for each of the 6 succeeding fiscal years.

"(2) There is authorized to be appropriated for the purpose of carrying out section 107, \$30,000,000 for fiscal year 1993 and such sums as may be necessary for each of the 6 succeeding fiscal years.

"(3) There is authorized to be appropriated for the purpose of carrying out sections 112(b) and 113, \$10,000,000 for fiscal year 1993 and such sums as may be necessary for each of the 6 succeeding fiscal years."

(b) ENDOWMENT GRANTS.—Section 306(a) of such Act is amended to read as follows:

"SEC. 306. (a) There are authorized to be appropriated to carry out the provisions of this title, \$10,000,000 for fiscal year 1993 and such sums as may be necessary for each of the 6 succeeding fiscal years."

(c) ECONOMIC DEVELOPMENT.—Section 403 of such Act is amended to read as follows:

#### "SEC. 403. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated for grants under this title, \$2,000,000 for fiscal year 1993 and such sums as may be necessary for each of the 6 succeeding fiscal years."

(d) NAVAJO COMMUNITY COLLEGES.—Section 5(a)(1) of the Navajo Community College Act is amended to read as follows:

"SEC. 5. (a)(1) For the purpose of making construction grants under this Act, there are authorized to be appropriated \$2,000,000 for fiscal year 1993 and such sums as may be necessary for each of the 6 succeeding fiscal years."

#### PART B—HIGHER EDUCATION TRIBAL GRANT AUTHORIZATION ACT

#### SEC. 1611. SHORT TITLE.

This part may be cited as the "Higher Education Tribal Grant Authorization Act".

#### SEC. 1612. FINDINGS.

The Congress finds that—

(1) there are increasing numbers of Indian students qualifying for postsecondary education, and there are increasing numbers desiring to go to postsecondary institutions;

(2) the needs of these students far outpace the resources available currently;

(3) Indian tribes have shown an increasing interest in administering programs serving these individuals and making decisions on these programs reflecting their determinations of the tribal and human needs;

(4) the contracting process under the Indian Self-Determination and Education Assistance Act has provided a mechanism for the majority of the tribes to assume control over this program from the Bureau of Indian Affairs;

(5) however, inherent limitations in the contracting philosophy and mechanism, coupled with cumbersome administrative procedures developed by the Bureau of Indian Affairs have effectively limited the efficiency and effectiveness of these programs;

(6) the provision of these services in the most effective and efficient form possible is necessary for tribes, the country, and the individuals to be served; and

(7) these services are part of the Federal Government's continuing trust responsibility to provide education services to American Indians and Alaska Natives.

#### SEC. 1613. PROGRAM AUTHORITY.

(a) IN GENERAL.—The Secretary shall, from the amounts appropriated for the purpose of supporting higher education grants for Indian students under the authority of the Act of November 2, 1921, popularly known as the Snyder Act (25 U.S.C. 13), make grants to Indian tribes in accordance with the requirements of this part to permit those tribes to provide financial assistance to individual Indian students for the cost of attendance at institutions of higher education.

(b) LIMITATION ON SECRETARY'S AUTHORITY.—The Secretary shall not place any restrictions on the use of funds provided to an Indian tribe under this part that is not expressly authorized by this part.

(c) EFFECT ON FEDERAL RESPONSIBILITIES.—The provisions of this part shall not affect any trust responsibilities of the Federal Government.

(d) NO TERMINATION FOR ADMINISTRATIVE CONVENIENCE.—Grants provided under this part may not be terminated, modified, suspended, or reduced only for the convenience of the administering agency.

#### SEC. 1614. QUALIFICATION FOR GRANTS TO TRIBES.

(a) CONTRACTING TRIBES.—Any Indian tribe that obtains funds for educational purposes similar to those authorized in this part pursuant to contract under the Indian Self-Determination and Education Assistance Act may qualify for a grant under this part by submitting to the Secretary a notice of intent to administer a student assistance program under section 1313. Such notice shall be effective for the fiscal year following the fiscal year in which it is submitted, except that if such notice is submitted during the last 90 days of a fiscal year such notice shall be effective the second fiscal year following the fiscal year in which it is submitted, unless the Secretary waives this limitation.

(b) NONCONTRACTING TRIBES.—Any Indian tribe that is not eligible to qualify for a grant under this part by filing a notice under subsection (a) may qualify for such a grant by filing an application for such a grant. Such application shall be submitted under guidelines for programs under the Indian Self-Determination and Education Assistance Act, as in effect on January 1, 1991, and

shall be reviewed under the standards, practices, and procedures applicable to applications to contract under such Act as in effect on the date the application is received, except that—

(1) if the tribe is not notified that its application has been disapproved within 180 days after it is filed with the Secretary, the application shall be deemed to be approved;

(2) if the application is disapproved, the Secretary shall provide technical assistance to the tribe for purposes of correcting deficiencies in the application;

(3) the Secretary shall designate an office or official to receive such applications, and shall toll the 180-day period described in paragraph (1) from the date of receipt by such office or official; and

(4) applications shall be approved for the fiscal year following the fiscal year in which submitted, unless the Secretary waives the limitation of this paragraph.

#### (c) TERMINATION OF GRANTS.—

(1) CONTINUING ELIGIBILITY PRESUMED.—An Indian tribe which has qualified under subsection (a) or (b) for a grant under this part for any fiscal year shall continue to be eligible for such a grant for each succeeding fiscal year unless the Secretary revokes such eligibility for a cause described in paragraph (2).

(2) CAUSES FOR LOSS OF ELIGIBILITY.—The Secretary may revoke the eligibility of an Indian tribe for a grant under this part if such tribe—

(A) fails to submit to the Bureau an annual financial statement that reports revenues and expenditures determined by use of an accounting system, established by the tribe, that complies with generally accepted accounting principles;

(B) fails to submit to the Bureau an annual program description, stating the number of students served, and containing such information concerning such students, their educational programs and progress, and the financial assistance distributed to such students as the Secretary may require by regulation;

(C) fails to submit to the Secretary a biennial financial audit conducted in accordance with chapter 75 of title 31, United States Code; or

(D) fails, in an evaluation of its financial assistance program conducted by an impartial third party entity, to comply with standards under this part relating to (i) eligible students, programs, or institutions of higher education, (ii) satisfactory progress, or (iii) allowable administrative costs; as determined under contracts applicable to programs to provide financial assistance to individual Indian students for the cost of attendance at institutions of higher education administered by Indian tribes under the Indian Self-Determination and Education Assistance Act and in effect on January 20, 1991.

(3) PROCEDURES FOR REVOCATION OF ELIGIBILITY.—The Secretary shall not revoke the eligibility of an Indian tribe for a grant under this part except—

(A) after notice in writing to the tribe of the cause and opportunity to the tribe to correct;

(B) providing technical assistance to the tribe in making such corrections; and

(C) after hearings and appeals conducted under the same rules and regulations that apply to similar termination actions under the Indian Self-Determination and Education Assistance Act.

#### SEC. 1615. ALLOCATION OF GRANT FUNDS.

(a) ALLOCATION OF FUNDS.—

(1) IN GENERAL.—The Secretary shall continue to determine the amount of program



funds to be received by each grantee under this part by the same method used for determining such distribution in fiscal year 1991 for tribally administered and Bureau-administered programs of grants to individual Indians to defray postsecondary expenses.

(2) **ADMINISTRATIVE COSTS.**—In addition to the amount determined under paragraph (1), a grantee which has exercised the option given in section 1314(a) to administer the program under a grant shall receive an amount for administrative costs determined pursuant to the method used by the grantee during the preceding contract period. All other grantees shall receive an amount for administrative costs determined pursuant to the regulations governing such determinations under the Indian Self-Determination and Education Assistance Act, as in effect at the time of application to grants being made.

(3) **SINGLE GRANT; SEPARATE ACCOUNTS.**—Each grantee shall receive only one grant during any fiscal year, which shall include both of the amounts under paragraphs (1) and (2). Each grantee shall maintain this grant in a separate account.

(b) **USE OF FUNDS.**—Funds provided by grants under this part shall be used—

(1) to make grants to individual Indian students to meet, on the basis of need, any educational expense of attendance in a postsecondary education program (as determined under the contracts applying to the postsecondary education program administered by tribes under the Indian Self-Determination and Education Assistance Act (Public Law 93-638)), to the extent that such expense is not met from other sources or cannot be defrayed through the action of any State, Federal, or municipal Act, except that nothing in this subsection shall be interpreted as requiring any priority in consideration of resources; and

(2) costs of administering the program under this part, except that no more may be spent on administration of such program than is generated by the method for administrative cost computation specified in section 1315(a)(2).

#### SEC. 1616. LIMITATIONS ON USE OF FUNDS.

(a) **USE FOR RELIGIOUS PURPOSES.**—None of the funds made available under this part may be used for study at any school or department of divinity or for any religious worship or sectarian activity.

(b) **INTEREST ON FUNDS.**—No interest or other income on any funds made available under this part shall be used for any purpose other than those for which such funds may be used.

#### (c) **PAYMENTS.**—

(1) **IN GENERAL.**—Except as otherwise provided in this subsection, the Secretary shall make payments to grantees under this part in two payments—

(A) one payment to be made no later than October 1 of each fiscal year in an amount equal to one-half the amount paid during the preceding fiscal year to the grantee or a contractor that has elected to have the provisions of this part apply, and

(B) the second payment consisting of the remainder to which the grantee or contractor is entitled for the fiscal year to be made by no later than January 1 of the fiscal year.

(2) **NEW GRANTEEES.**—For any tribe for which no payment was made under this part in the preceding fiscal year, full payment of the amount computed for each fiscal year shall be made by January 1 of the fiscal year.

#### (d) **INVESTMENT OF FUNDS.**—

(1) **TREATMENT AS TRIBAL PROPERTY.**—Notwithstanding any other provision of law, any interest or investment income that accrues

on any funds provided under this part after such funds are paid to the Indian tribe or tribal organization and before such funds are expended for the purpose for which such funds were provided under this part shall be the property of the Indian tribe or tribal organization and shall not be taken into account by any officer or employee of the Federal Government in determining whether to provide assistance, or the amount of assistance, under any provision of Federal law.

(2) **INVESTMENT REQUIREMENTS.**—Funds provided under this part may be—

(A) invested by the Indian tribe or tribal organization only in obligations of the United States or in obligations or securities that are guaranteed or insured by the United States, or

(B) deposited only into accounts that are insured by an agency or instrumentality of the United States.

(e) **RECOVERIES.**—For the purposes of underrecovery and overrecovery determinations by any Federal agency for any other funds, from whatever source derived, funds received under this part shall not be taken into consideration.

#### SEC. 1617. ADMINISTRATIVE PROVISIONS.

(a) **BIENNIAL REPORT.**—The Secretary shall submit a biennial report to the Congress on the programs established under this part. Such report shall include—

(1) a description of significant administrative actions taken by the Secretary under this part;

(2) the number of grants made under the authority of this part;

(3) the number of applications denied for such grants and the reasons therefor;

(4) the remedial actions taken to enable applicants to be approved;

(5) the number of students served, by tribe;

(6) statistics on the academic pursuits of the students provided assistance under this part the average amount of assistance provided; and

(7) such additional information as the Secretary considered significant.

(b) **ROLE OF THE DIRECTOR.**—Applications for grants under this part, and all application modifications, shall be reviewed and approved by personnel under the direction and control of the Director of the Office of Indian Education Programs. Required reports shall be submitted to education personnel under the direction and control of the Director of such Office.

(c) **APPLICATION OF INDIAN SELF-DETERMINATION AND EDUCATION ASSISTANCE ACT.**—All provisions of sections 5, 6, 7, 105, 109, and 110 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450c et seq.), except those provisions pertaining to indirect costs and length of contract, shall apply to grants provided under this part.

(d) **REGULATIONS.**—The Secretary is authorized to issue regulations relating to the discharge of duties specifically assigned to the Secretary by this part. In all other matters relating to the details of planning, development, implementing, and evaluating grants under this part, the Secretary shall not issue regulations. Regulations issued pursuant to this part shall not have the standing of a Federal statute for the purposes of judicial review.

(e) **RETROCESSION.**—Whenever an Indian tribe requests retrocession of any program for which assistance is provided under this part, such retrocession shall become effective upon a date specified by the Secretary not more than 120 days after the date on which the tribe requests the retrocession, or such later date as may be mutually agreed

upon by the Secretary and the tribe. If such a program is retroceded, the Secretary shall provide to any Indian tribe served by such program at least the same quantity and quality of services that would have been provided under such program at the level of funding provided under this part prior to the retrocession. The tribal governing body requesting the retrocession shall specify whether the retrocession shall be to a contract administered by the tribe, or a tribal entity, under the authority of the Indian Self-Determination Act or to a Bureau-administered program.

#### PART C—CRITICAL NEEDS FOR TRIBAL DEVELOPMENT ACT

##### SEC. 1621. SHORT TITLE.

This part may be cited as the "Critical Needs for Tribal Development Act".

##### SEC. 1622. DEFINITIONS.

As used in this part:

(1) The term "federally funded higher education assistance" means any grant assistance provided to an Indian student from funds made available for such purpose by contract or grant to an Indian tribe from amounts appropriated under the authority of the Act of November 2, 1921, popularly known as the Snyder Act (25 U.S.C. 13).

(2) The term "eligible Indian tribe or tribal organization" means any Indian tribe or tribal organization that qualifies to administer federally funded higher education assistance under a contract pursuant to the Indian Self-Determination and Education Assistance Act of 1975 or under a grant pursuant to the Higher Education Tribal Grant Authorization Act of 1991.

##### SEC. 1623. SERVICE CONDITIONS PERMITTED.

(a) **IN GENERAL.**—An eligible Indian tribe or tribal organization may, in accordance with the requirements of this part, require any applicant for federally funded higher education assistance, as a condition of receipt of such assistance, to enter into a critical area service agreement in accordance with section 1324.

(b) **CRITICAL AREA DESIGNATION.**—Any eligible Indian tribe or tribal organization that intends to require critical area service agreements shall, by a formal action of the tribal council or its delegate, designate particular occupational areas as critical areas for the economic or human development needs of the tribe or its members. The tribe or organization shall notify the Secretary of the Interior in writing of such designated critical areas. Such designations shall be applicable to federally funded higher education assistance for any fiscal year following the fiscal year in which the designation is made until such designation is withdrawn by the tribe or organization by formal action. The tribe or organization shall notify the Secretary of the Interior in writing of any designations that are withdrawn.

##### SEC. 1624. CRITICAL AREA SERVICE AGREEMENTS.

(a) **TERMS OF AGREEMENTS.**—A critical area service agreement shall be an agreement between an Indian student who receives or who shall receive federally funded higher education assistance and an Indian tribe or tribal organization providing such assistance in which the student agrees—

(1) to undertake a course of study at an eligible institution (as that term is defined in section 435(a) of the Higher Education Act of 1965) in an area of critical need, as determined under section 1323, and to pursue that course of study to its completion; and

(2)(A) to perform, for each academic year for which the student receives federally

funded higher education assistance under a critical area service agreement, one calendar year of service to the tribe or organization in an occupation that is in a critical area designated by the tribe pursuant to section 1322(b), commencing not later than 6 months after the student ceases to carry at an institution of higher education at least one-half the normal full-time academic work load as determined by the institution; or

(B) to repay such assistance to the Secretary, together with interest thereon at a rate prescribed by the Secretary by regulation, in monthly or quarterly installments over not more than 5 years.

(b) **SERVICE LIMITATIONS AND CONDITIONS.**—The tribe or tribal organization shall agree that a student performing services under a critical area service agreement—

(1) shall be provided compensation, benefits, and working conditions at the same level and to the same extent as any other employee working a similar length of time and doing the same type of work;

(2) may be treated as providing services to the tribe or organization if the student provides services for members of the tribe or organization that are approved by the tribe or organization and agreed to by the student even though such services are performed while the student is employed by a Federal, State, or local agency or instrumentality or by a nonprofit or for-profit private institution or organization; and

(3) may obtain the benefits of a waiver or suspension in accordance with the requirements of subsection (c).

(c) **WAIVER AND SUSPENSION OF SERVICE AGREEMENT.**—

(1) **WAIVER.**—An Indian tribe or tribal organization may, by formal action, waive the service agreement of an Indian student for just cause, as determined in accordance with regulations prescribed by the Secretary. The tribe or organization shall notify the Secretary in writing of any waiver granted under this subsection.

(2) **SUSPENSION.**—The obligation of a student to perform services under a critical area service agreement—

(A) shall be suspended for not more than 18 months if, at the request of the student, the tribe or organization determines that there are no employment opportunities available in any critical service area; and

(B) shall be suspended if the student ceases to attend an institution of higher education as a consequence of an institutional determination of unsatisfactory performance.

If, at the end of a period of suspension under subparagraph (A), there are still no employment opportunities available in any critical service area, the student's obligations under the agreement shall terminate. A suspension under subparagraph (B) shall be reviewed by the tribe or organization annually, but may be continued indefinitely.

(d) **PRO RATA REDUCTION FOR PARTIAL SERVICES.**—The Secretary shall, by regulation, provide for the pro rata reduction of repayment obligations under subsection (a)(2) in the case of any student who partially completes the service obligation of that student under subsection (a)(1).

(e) **CERTIFICATION OF SERVICE.**—An Indian tribe or tribal organization receiving services under a critical area service agreement—

(1) shall establish procedures for monitoring and evaluating the provisions of this part, and provide a copy of such procedures to the Secretary and to each individual providing services under a critical area service agreement;

(2) shall annually certify to the Secretary the identities of the individuals performing service under such agreements; and

(3) shall annually certify to the Secretary the amount of service performed, and the amount remaining to be performed, by each such individual under such agreements.

#### SEC. 1625. GENERAL PROVISIONS.

(a) **APPLICATION OF EXISTING PROCEDURES.**—Except as provided in subsection (b), the requirements relating to student eligibility, needs analysis, and determination of eligibility for the program to be attended regularly incorporated by reference into contracts under the Indian Self-Determination and Education Assistance Act of 1975 (Public Law 93-638) for tribal operation of higher education grant programs prior to January 1, 1991, shall apply.

(b) **ADDITIONAL, EXCESS, AND INCREMENTAL COSTS.**—The tribe or tribal organization may establish in writing, subject to the review of the Secretary, procedures for determining additional, excess, or inducement costs to be associated with grants for critical area service agreements.

#### PART D—INSTITUTE OF AMERICAN INDIAN NATIVE CULTURE AND ARTS DEVELOPMENT

##### SECTION. 1631. INSTITUTE OF AMERICAN INDIAN NATIVE CULTURE AND ARTS DEVELOPMENT.

(a) **BOARD OF DIRECTORS.**—Section 1505 of the American Indian, Alaska Native, and Native Hawaiian Culture and Art Development Act (20 U.S.C. 4412) is amended—

(1) in subsection (a)(1)(A)—

(A) by striking "The voting" and inserting "Subject to the provisions of subsection (i), the voting"; and

(B) by inserting before the period at the end thereof a comma and the following: "and diverse fields of expertise, including finance, law, fine arts, and higher education administration";

(2) by redesignating paragraph (3) of subsection (a) as paragraph (4);

(3) by inserting after paragraph (2) of such subsection the following new paragraph:

"(3) The President shall carry out the activities described in subparagraphs (B) and (C) of paragraph (2) through the Board. The Board may make recommendations based upon the nominations received, may make recommendations of its own, and may review and make comments to the President or the President's appointed staff on individuals being considered by the President for whom no nominations have been received."; and

(4) by striking subsection (i) and inserting the following:

"(i) **APPOINTMENT EXCEPTION FOR CONTINUITY.**—

"(1) In order to maintain the stability and continuity of the Board, the Board has the power to recommend the continuation of members on the Board pursuant to the provisions of this subsection. When the Board makes such a recommendation, the Chairman of the Board shall transmit the recommendation to the President no later than 75 days prior to the expiration of the term of the member.

"(2) If the President has not transmitted to the Senate a nomination to fill the position of a member covered by such a recommendation within 60 days from the date that the member's term expires, the member shall be deemed to have been reappointed for another full term to the Board, with all the appropriate rights and responsibilities.

"(3) This subsection shall not be construed to permit less than 7 members of the Board to be Indians. If an extension of a term under

paragraph (2) would result in less than 7 members being Indians, the term of the member covered by paragraph (2) shall be deemed to expire 60 days after the date upon which it would have been deemed to expire without the operation of this subsection, except that the provisions of subsection (b)(4), relating to continuation of service pending replacement, shall continue to apply."

(b) **GENERAL POWERS OF BOARD.**—Section 1507 of the American Indian, Alaska Native, and Native Hawaiian Culture and Art Development Act (20 U.S.C. 4414) is amended—

(1) in subsection (a)—

(A) by redesignating paragraphs (3) through (13) as paragraphs (4) through (14), respectively;

(B) by striking paragraph (2) and inserting the following:

"(2) to make agreements and contracts with persons, Indian tribes, and private or governmental entities and to make payments or advance payments under such agreements or contract without regard to section 3324 of title 31, United States Code;

"(3) any other provision of law to the contrary notwithstanding, to enter into joint development ventures with public or private commercial or noncommercial entities for development of facilities to meet the plan required under section 1519, if the ventures are related to and further the mission of the Institute"; and

(C) by striking paragraph (13), as redesignated, and inserting the following:

"(13) to use any funds or property received by the Institute to carry out the purpose of this chapter, including the authority to designate on an annual basis a portion, not to exceed 10 percent, of the funds appropriated pursuant to section 1531 for investment, without regard to any other provision of law regarding investment or disposition of federally appropriated funds, on a short-term basis for the purpose of maximizing yield and liquidity of such funds; and"; and

(2) in subsection (c), by striking "may be expended" and inserting "shall be expended".

(c) **STAFF OF INSTITUTE.**—Section 1509(b)(2) of the American Indian, Alaska Native, and Native Hawaiian Culture and Art Development Act (20 U.S.C. 4416(b)(2)) is amended to read as follows:

"(2) The President of the Institute shall fix the basic compensation for officers and employees of the Institute at rates comparable to the rates in effect under the General Schedule for individuals with comparable qualifications and positions, to whom chapter 51 of title 5, United States Code applies."

(d) **FUNCTIONS OF INSTITUTE.**—Section 1510(b) of the American Indian, Alaska Native, and Native Hawaiian Culture and Art Development Act (20 U.S.C. 4417(b)) is amended to read as follows:

"(b) **ADMINISTRATIVE ENTITIES.**—

"(1) The Board shall be responsible for establishing the policies and internal organization that relate to the control and monitoring of all subdivisions, administrative entities, and departments of the Institute.

"(2) The specific responsibilities of each subdivision, entity, and department of the Institute are solely within the discretion of the Board, or its designee.

"(3) The Board shall establish within the Institute—

"(A) a department for the study of culture and arts;

"(B) a department for research and exchange; and

"(C) a museum.

"(4) The Board shall establish the areas of competency for the departments created



under paragraph (3), which may include arts and sciences, visual arts, performing arts, language, literature, museology, a learning resources center, programs of institutional support and development, research programs, fellowship programs, seminars, publications, scholar-in-residence programs and inter-institutional programs of cooperation at national and international levels."

(e) **INDIAN PREFERENCE.**—Section 1511(a) of the American Indian, Alaska Native, and Native Hawaiian Culture and Art Development Act (20 U.S.C. 4418(a)) is amended by inserting immediately after the words "is authorized to" the words "develop a policy or policies for the Institute to".

(f) **TRANSFER OF FUNCTIONS.**—Section 1514 of the American Indian, Alaska Native, and Native Hawaiian Culture and Art Development Act (20 U.S.C. 4421) is amended—

(1) in subsection (b)(1), by striking "All personnel" and inserting "Subject to subsection (d), all personnel"; and

(2) in subsection (d)(2), by striking "monetary damage" and inserting "monetary damages".

(g) **REPORTS.**—Section 1515(b) of the American Indian, Alaska Native, and Native Hawaiian Culture and Art Development Act (20 U.S.C. 4422(b)) is amended—

(1) by striking paragraph (1); and

(2) by redesignating paragraphs (2) through (4) as paragraphs (1) through (3).

(h) **HEADQUARTERS.**—Section 1516 of the American Indian, Alaska Native, and Native Hawaiian Culture and Art Development Act (20 U.S.C. 4423) is amended—

(1) by striking "The site of the Institute of American Indian Arts, at"; and

(2) by striking "the Secretary" and inserting "the Board".

(i) **COMPLIANCE WITH OTHER ACTS.**—Section 1517 of the American Indian, Alaska Native, and Native Hawaiian Culture and Art Development Act (20 U.S.C. 4424) is amended—

(1) by redesignating the text of subsection (c) as paragraph (1) of such subsection; and

(2) by adding at the end thereof the following new paragraph:

"(2) The Institute shall not be subject to any provision of law requiring that non-Federal funds or other moneys be used in part to fund any grant, contract, cooperative agreement, or project as a condition to the application for, or receipt of, Federal assistance. This subsection shall not be construed to effect in a negative fashion the review, prioritization, or acceptance of any application or proposal for such a program, solicited or unsolicited."

(j) **ENDOWMENT PROGRAM.**—Section 1518 of the American Indian, Alaska Native, and Native Hawaiian Culture and Art Development Act (20 U.S.C. 4425) is amended—

(1) in subsection (a)(3), by striking "the date of enactment of this Act" and inserting "November 29, 1990";

(2) in subsection (b)(4) after "any private", by inserting ", non-Federal governmental,"; and

(3) in subsection (c)—

(A) by redesignating paragraph (3) as paragraph (4); and

(B) by inserting after paragraph (2) the following new paragraph:

"(3) Notwithstanding any other provision of law, any amounts deposited in a trust fund authorized under subsection (a) may be used to secure loans procured for the purposes of constructing or improving Institute facilities."

(k) **PROVISION OF FACILITIES.**—Part A of title XV of the American Indian, Alaska Native, and Native Hawaiian Culture and Art

Development Act (20 U.S.C. 4401 et seq.) is amended by adding at the end the following new section:

**"SEC. 1519. PROVISION OF FACILITIES.**

"(a) **PLAN.**—

"(1) **IN GENERAL.**—Within 18 months after the date of enactment of this section, the Board shall prepare and transmit to the Congress a master plan on the short- and long-term facilities needs of the Institute.

"(2) **CONTENTS OF PLAN.**—The master plan shall include a prioritization of the Institute's needs and shall evaluate—

"(A) all facets of existing Institute programs, including support activities and programs and facilities;

"(B) the possible impact of the Institute's move to a new site;

"(C) the development and construction requirements, based on a growth plan approved by the Board, including items such as infrastructure and site analysis; and

"(D) development of a phased plan with architectural and engineering studies, cost projections, landscaping, and related studies which cover all facets of the Institute's programs and planned functions.

"(b) **FUNDS TO ASSIST CONSTRUCTION.**—

"(1) **IN GENERAL.**—From the general funds for the provision of facilities to Federal entities, the Administrator of General Services shall provide to the Institute funds to defray the expenses associated with constructing facilities included within the plan required under subsection (a), and shall enter into a long-term contract of not less than 20 years with the Institute to provide such funds.

"(2) **AMOUNT OF ASSISTANCE.**—Funds under this subsection shall be provided directly to the Institute by the Administrator of General Services in an amount equal to the total square footage encompassed within the plans required under subsection (a), divided by 3 and multiplied by the average cost of square footage for facilities of institutions of higher education in the region in which the Institute is located, or in the Santa Fe, New Mexico, area, whichever is greater.

"(3) **OFFSET.**—The amount of the payment under paragraph (2) shall be decreased by any sums specifically appropriated under authority of this Act to offset these funds.

"(4) **COMMENCEMENT OF PAYMENTS.**—Payments under this subsection shall begin in the fiscal year following the fiscal year in which the report required by subsection (a) is submitted.

"(5) **ADMINISTRATIVE PROVISIONS.**—

"(A) **SEPARATE ACCOUNT.**—The Institute shall keep such funds in a separate account, under such terms as may be agreed upon by the Institute and the Administrator of General Services, and shall use the principal and interest on such funds to defray expenses associated with providing facilities under the plan required pursuant to subsection (a).

"(B) **EXPENDITURES.**—Subject to subparagraph (A), any expenditures of the funds provided by this section shall be at the discretion of the Institute.

"(C) **OVERSIGHT.**—The Institute shall allow, to the extent practicable, the Administrator of General Services to audit and monitor the use of the funds provided by this section."

**PART E—AMERICAN INDIAN POSTSECONDARY ECONOMIC DEVELOPMENT SCHOLARSHIP**

**SEC. 1641. AMERICAN INDIAN POSTSECONDARY ECONOMIC DEVELOPMENT SCHOLARSHIP.**

(a) **PROGRAM AUTHORIZED.**—The Secretary of Education through the Office of Indian Education is authorized to make grants, in accordance with the provisions of this part,

to federally recognized Indian tribes which lack sufficient numbers of professionally trained tribal members to support established or ongoing economic development initiatives. Priority shall be given to tribes which are not served by federally funded postsecondary institutions. The purpose of such grants is to enable such tribes to make scholarships available to tribal members to assist such members to pursue courses of study leading to an undergraduate or postbaccalaureate degree in order to provide professionally trained tribal members to support such economic development initiatives on Indian reservations.

(b) **DESIGNATION.**—A scholarship awarded under this part shall be referred to as an "American Indian Post-Secondary Economic Development Scholarship" (hereafter referred to in this part as "scholarship").

**SEC. 1642. INDIAN SCHOLARSHIPS.**

(a) **SELECTION.**—Each Indian tribe receiving a grant pursuant to this part for the purpose of providing scholarships shall select tribal members eligible to receive such scholarships. In determining grant recipients the Office of Indian Education shall consider—

(1) geographic distribution of grants; and

(2) a tribal economic plan which demonstrates how individual recipients shall benefit the economic conditions of the tribe.

(b) **CRITERIA.**—Each Indian tribe, in consultation with the Secretary of Education, shall give preference to select, as those tribal members eligible to receive such scholarships, tribal members who have successfully completed at least 30 hours of postsecondary education and who are eligible for readmission to a postsecondary institution.

**SEC. 1643. SCHOLARSHIP CONDITIONS.**

(a) **SCHOLARSHIP AGREEMENT.**—Each tribal member receiving a scholarship under this part shall enter into an agreement, satisfactory to the Secretary of Education and the tribal government awarding such scholarship, under which such member agrees—

(1) to utilize the proceeds of such scholarship to pursue a course of study which meets the requirements of the State in which the educational institution is located for an undergraduate or postbaccalaureate degree;

(2) upon the acquisition of such degree, to work, one year for each year of financial assistance under this part, on the Indian reservation in employment related to the course of study pursued which will support economic development initiatives on such reservation; and

(3) to maintain satisfactory academic progress while in an undergraduate or postbaccalaureate program.

(b) **REPAYMENTS.**—Each tribal member found by the Secretary of Education to be in noncompliance with the agreement pursuant to subsection (a)(2) shall be required to repay—

(1) 100 percent of the total amount of scholarships awarded under this part if such tribal member does not work pursuant to such agreement; or

(2) a pro rata portion of the total amount of scholarships awarded under this part, as determined by the Secretary of Education, if such tribal member worked pursuant to such agreement but less than the time period required thereunder.

(c) **WAIVER AND SUSPENSION OF SERVICE AGREEMENT.**—(1) An Indian tribe may, by formal action, waive the service agreement of a tribal member for just cause, as determined in accordance with regulations prescribed by the Secretary. The tribe shall notify the Secretary in writing of any waiver granted under this subsection.

(2) The obligation of a tribal member to perform services under this part—

(A) shall be suspended for not more than 18 months if, at the request of the tribal member, the tribe determines that there are no employment opportunities available in any applicable area; and

(B) shall be suspended if the tribal member ceases to attend an institution of higher education as a consequence of an institutional determination of unsatisfactory performance.

If, at the end of a period of suspension under subparagraph (A), there are still no employment opportunities available which fulfill the requirements of this part, the tribal member's obligations under the agreement shall terminate. A suspension under subparagraph (B) shall be reviewed by the tribe annually, but may be continued indefinitely.

(d) **DISCLAIMER.**—No scholarship awarded pursuant to this part shall be considered in determining eligibility for student assistance under title IV of the Higher Education Act of 1965.

(e) **LIMITATION.**—Any tribal member selected by an Indian tribe to receive a scholarship under this part shall be eligible to receive a \$10,000 scholarship for each academic year of postsecondary education, except that no such member shall receive scholarship assistance under this part for more than 4 years of postsecondary education (including postbaccalaureate).

(f) **COST OF ATTENDANCE.**—Calculation of the cost of attendance for the tribal member shall include all costs as determined by the tribe for the purposes of fulfilling the policy of this part.

(g) **ADDITIONAL REQUIREMENTS.**—Any tribal member seeking a loan under this part shall apply for and accept the maximum financial aid available from other sources. However, for purposes of determining eligibility, loans provided under this program may not be considered in needs analysis under any other Federal law, and may not penalize tribal members in determining eligibility for other funds.

(h) **APPLICATIONS FOR ASSISTANCE.**—Any Indian tribe desiring a grant under this part shall submit an application to the Secretary of Education at such time, in such manner, and containing such information as the Secretary may reasonably require. Each such application shall—

(1) describe the shortages on the reservation of such Indian tribe of professionally trained tribal members necessary to support economic development initiatives on such reservation;

(2) provide assurances that the Indian tribe will assist in employment placement on the reservation of tribal members receiving scholarship assistance under this part; and

(3) provide assurances that any tribal member performing work pursuant to this part will be provided compensation, benefits, and working conditions at the same level and to the same extent as any other employee working a similar length of time and doing the same type of work.

#### SEC. 1644. REPORT.

Each Indian tribe receiving a grant pursuant to this part shall annually report to the Secretary concerning the administration of such grant, including the identities of any individual receiving a scholarship pursuant to this part, and of any individual performing service pursuant to his or her commitment under this part.

#### SEC. 1645. AUTHORIZATION OF APPROPRIATIONS.

For the purpose of carrying out the provisions of this part, there are authorized to be appropriated—

- (1) \$2,000,000 for fiscal year 1993;
- (2) \$4,100,000 for fiscal year 1994;
- (3) \$6,200,000 for fiscal year 1995;
- (4) \$8,300,000 for fiscal year 1996;
- (5) \$10,400,000 for fiscal year 1997;
- (6) \$12,500,000 for fiscal year 1998; and
- (7) \$14,600,000 for fiscal year 1999.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. PELL. Mr. President, I rise in support of S. 1150, the bill to reauthorize the Higher Education Act of 1965. This is very important legislation, for it is through the Higher Education Act that the dream of access and opportunity for a college education becomes a reality. It is in this act that we say that a lack of financial wealth shall not and will not stand in the way of a person who has the talent, desire, and drive to reach out for a college education. The Higher Education Act is, without question, one of the most important pieces of Federal legislation in existence, and our reauthorization of it is vital.

Floor consideration of S. 1150 marks the culmination of over a year of very hard work on reauthorization. When we began our hearings in February of last year, I outlined a series of concerns I believed we should address in this reauthorization. As the full Senate begins to consider this legislation, I believe it important to understand how we have addressed those concerns in this bill.

First, in higher education, the needs of deserving students have always come first. We stand by that commitment. Well over 90 percent of the funds authorized in this bill will go to student aid. This will insure that the Federal dollar in higher education will remain a student aid dollar.

Second, with the bill before us, the Federal Government will continue to be the dominant player in student aid. Today, about 75 percent of all student aid comes from the Federal Government. Without Federal aid, educational opportunity in American higher education simply would not exist. We strengthen the Federal role in this legislation and in so doing, we hope to end, once and for all, any question, any reservation, any doubt about our commitment to insuring access and opportunity to deserving students.

Third, we seek in this legislation to make grants, and not loans, the major form of student aid. We authorize a \$3,600 maximum Pell grant for fiscal 1993, with \$200 annual increases thereafter.

Over the past decade, the costs of a college education have risen 135 percent. Family income, however, has increased only half that, and the value of a Pell grant has actually declined. Where it covered 41 percent of the costs of a college education in 1980, today it covers only 26 percent. It is imperative that we reverse this situation, and that is precisely what our legislation seeks to do.

For the poor, we increase the amount of Federal student aid that is available

not only in the Pell grant but also in supplemental grants, loans and college work study. This is important to keeping the doors of access and opportunity open for students who simply do not have the financial wherewithal to pay for a college education, and for whom Federal preograms are a first and last resort.

For hard-pressed middle-income families, we bring Federal aid once again within their reach. By removing the consideration of farm and home equity for families with incomes of less than \$50,000, middle-income families will once again have access to Pell grants, guaranteed loans, and campus-based aid. In the supplemental loan program, we allow all dependent students to borrow if they have a cosigner.

Fourth, for low-income students and for those who are the first in their family to attend college, S. 1150 offers important incentives for States to establish early intervention programs. In fashioning S. 1150 we were particularly impressed with such programs as the Liberty Scholarships in New York, the Children's Crusade in Rhode Island, and the programs put into place through the efforts of Patrick Taylor from Louisiana.

Fifth, while minorities are an increasing percentage of our population, fewer attend and graduate from college and even fewer pursue graduate education or a career in teaching. In this reauthorization bill, we pay special attention to the needs of minorities with new programs to encourage the pursuit of teaching and graduate education, as well as a renewed commitment to well-proven programs such as those in title III and TRIO.

Sixth, we simplify the complex application system that bewilders families and lawmakers alike. For families with incomes less than \$50,000 we will have a simplified application process. We will require only one system for determining need for all Federal student aid programs. And, we mandate the development of a simplified process to be used in reapplying for Federal student aid.

Seventh, we provide a series of new, stiff measures to restore public confidence to the loan program. Schools with default rates above 25 percent will be dropped from Federal loan program participation. Schools that engage in questionable practices will find themselves ineligible to take part in all Federal student aid programs. And, those who seek to cheat students and the Federal Government will be prosecuted to the fullest extent of the law with harsher fines and stiffer sentences.

Eighth, to insure that quality is the byword of American higher education, we provide new, tough Federal standards for all areas of the TRIAD: namely accreditation, State licensing, and Federal eligibility and certification.



We will put all schools through the paces in order to make sure that only good schools are left in the system.

Ninth, we all know our Nation faces a severe problem with respect to the sad state of our academic and library facilities. Learning is stymied when facilities are not up-to-date, laboratories are not state of the art, and libraries are inadequate. Accordingly, we provide a new program of Federal assistance to improve academic and library facilities on a State-by-State basis.

Tenth, we recognize when and where programs are working and working well. Thus, we not only continue but also enhance a series of very important programs already in existence, programs such as Cooperative Education, International Education, the Peace Institute, and the Fund for Improvement of Postsecondary Education.

Eleventh, we recognize that the teacher is the linchpin to a quality education. The programs in this reauthorization bill seek to bring new, talented people into teaching, and to provide the professional enhancement that will keep them in the classroom. From a new Teacher Corps to National and State Teacher Academies, from the National Board for Professional Teaching Standards to Alternative Routes for Teacher and Principal Certification, from the Paul Douglas Teacher Scholarship Program to New Careers for Teachers, we offer a host of new and improved programs to improve the quality of the American teacher.

Finally, as I said at the outset, in this legislation we recommit ourselves to the goal inherent in this bill: making sure that every American who has the talent, drive and desire can pursue the higher education of their choice. Lack of personal wealth should not stand in their way. And doubt about the quality of their education should be nonexistent. As I said in our opening hearing, for far too many Americans those are objectives that today are only dreams. This legislation seeks to make those dreams a reality.

In closing, I would pay credit, as has been the history of this subcommittee for many, many years, to the bipartisan nature and cooperative work that the minority and majority have engaged in.

The PRESIDING OFFICER. The Senator from Kansas.

Mrs. KASSEBAUM. Mr. President, I, too, would like to express my appreciation to Senator PELL as chairman of the Education Subcommittee who has always lent such extraordinary leadership on education issues, with a great deal of thoughtfulness and dedication, to education, and works to pull bipartisan support together, which I think has always given us strong education bills on the floor.

The Higher Education Act represents a substantial Federal investment in postsecondary education. In fact, I

think it is important to note at this point that President Bush, in sending forward his budget, increased education funding in total discretionary funding more than he did any other part of the budget. It was an increase of about 10 percent and that does not include the Head Start moneys which were increased as well.

But this higher education reauthorization supports a variety of programs for institutions of higher education, including libraries, institutional support, teacher training—much of what Senator PELL mentioned.

By far, however, the most significant Federal investment is student financial aid. Last year, the Federal Government spent approximately \$11 billion for student aid programs and generated another \$7 billion in private capital through loan guarantees.

This bill takes a number of positive and important steps in directions that we should be heading. I would like to highlight a few of the themes this addresses.

The chairman of the subcommittee has done so in many of the areas, but one I think is particularly important which may not get really focused on because it does not capture one's attention and does not have dollars in it. This bill, contains a number of strong provisions designed to ensure program integrity in nearly every area of the Federal Government.

We have heard repeated calls for greater accountability. Increasingly, Americans are wondering if Congress can really be trusted with their tax dollars.

Certainly, the record \$3.6 billion that we spent in student loan default costs last year does little to instill public confidence. Through recent reconciliation bills, we have attempted to clean up problems and program abuses—including the elimination of institutions with excessively high default rates, from the program. The Department of Education has also initiated a number of new efforts to strengthen its enforcement efforts.

This reauthorization bill continues and builds upon these efforts by taking steps such as:

Reducing to 25 percent—and it is now phased down from 35 to 30 percent over 3 years and this would immediately reduce to 25 percent over a 3-year period, cumulative—the default trigger for eliminating institutions from the program;

Improving means for tracking students in repayment;

Eliminating the use of commission sales representatives for student recruitment;

Eliminating short-term and correspondence programs from eligibility for loan programs;

Improving the exchange of information among licensing agencies, accreditation bodies, and the Department of

Education regarding questionable practices in institutions; and

Strengthening criminal penalties for program fraud.

Perhaps more important, the bill goes beyond trying to correct problems which have already occurred and emphasizes preventing problems before they occur.

Specifically, the bill strengthens requirements related to accreditation, State licensing, and Federal eligibility and certification—the TRIAD Program of which Senator PELL spoke—of institutions which participate in student aid programs.

For the first time, the higher education bill will spell out minimum standards for accreditation and State licensure. The Department of Education has often placed undue reliance on accreditation and licensure in its review of institutions—yet clear expectations of what accreditation and licensure should entail have never been stated. These are easy to really lay out.

In the bill it strengthens, I think, the hand of the Department of Education in its review of institutions seeking eligibility and program participation.

I would take note of the fact that the bill also authorizes financial assistance to the States in undertaking additional licensing requirements—in view of the fact that many States will be in a position of having to beef up their current efforts in this area.

The bill also calls for development of institutional performance standards so that we can get a better look at how institutions are doing in areas such as graduation and job placement rates.

Another important effort, and one which I strongly support, and much time and effort was put into, is the simplification of the student aid process. Until one tries to fill out a student aid form, I think he or she has no idea of the labyrinth of unnecessary questions that frequently seem to be on a student aid application form.

Students and their families have faced a dazzling array of application forms and questions. These students have a diverse range of needs and a diverse range of questions have been designed to determine what those needs might be. But at the same time, we must recognize that there comes a point where the sheer complexity of the process does more harm than good.

Among the provisions designed to simplify the process are:

A single-need analysis for all Federal student aid programs;

Elimination of several elements from need analysis so that the number of questions that will have to be answered will be reduced;

Clear delineation of questions required for Federal aid;

Notification to students when loans are sold; and

A reduction of the loan deferment categories. That is reduced from 11 to 4, for example.

The bill also reduces assistance to students by:

Increasing the loan limits that will go in total undergraduate loan limits from \$17,000 to \$21,000;

Eliminating consideration of home and farm equity for families with incomes below \$50,000; and

Increasing the authorized Pell maximum grant from \$3,100 to \$3,600.

I might just state, Mr. President, frequently our authorization on the Pell grant amount is far greater than the appropriation that is made.

Perhaps one of the most troublesome efforts with regard to this bill is trying to offer more generous assistance to students at a time when budget constraints leave little room for significant growth. In terms of the loan provisions, the bill balances cost increases with offsetting savings.

This, however, is not the case with grants. The one area of disagreement that I have had with the provisions of the bill call for a Pell grant entitlement beginning in fiscal year 1997, and its requirement for forced borrowing from subsequent years in fiscal years 1995 and 1996.

As much as anyone might like to see more generous grants supported, establishing a new entitlement program has consequences far beyond the immediate gains. Spending money we do not have and making that spending virtually uncontrollable by giving it entitlement status simply contributes to a debt burden which will come due to our children. Later during this debate, this will be discussed further.

Finally, this bill makes a start toward promoting higher standards in preparation for postsecondary work by establishing an early intervention program. In addition, it authorizes additional Pell grant assistance to students who complete a specified set of academic courses in high school. This proposal should have a positive impact on encouraging schools to offer a demanding curriculum and encouraging students to pursue it if they wish to go on to college.

The potential for this type of approach was illustrated by an experience at Suitland High School in Prince Georges County, where SAT scores of students increased by over 100 points in 1 year. A major explanation for this improvement was the fact that all students at the school have been offered more challenging academic programs and encouraged to take higher-level courses.

I was struck by an editorial by Robert Samuelson, which appeared last year in the Washington Post, in which he argued that Federal student aid programs could and should be used to motivate students to work harder in high school. Admittedly, it is difficult to use the higher education to drive reform in the lower level of schooling, or give greater value to a high school di-

ploma, even though I think we all believe that this course is very important. Those decisions must be made at the local school district and with the strong support of patrons of that district.

Mr. Samuelson's solution to require students to pass a test in order to receive Federal aid is not one that strikes me as being particularly effective. Nevertheless, I believe he strikes a nerve in observing "that the idea that postsecondary education should be earned by academic achievement has vanished."

And I think that is very true, Mr. President.

Far too often, the institutions of higher education are finding it necessary to offer remedial courses for too many of their students.

And that both trivializes higher education, as well as diminishes the value a student will get in return.

I believe there would be a much more effective climate for an expansion of student aid if there were a feeling that all students entering our institutions of higher education were prepared to benefit from that experience. Certainly, the issue of high academic standards is one which must be addressed on a number of fronts, and there is no single answer.

We do have an opportunity with this bill to move toward that goal, and while this may seem tedious an explanation on some of the aspects of the higher education reauthorization, I think they are small and significant but important steps.

It certainly has been the dedication of this committee and certainly this Subcommittee on Education to try to do what we can in this reauthorization bill, to aim toward these goals, to improve the process so we can accomplish what we all will agree is very important.

Again, I will say this bill, I believe, taken as a whole, moves us in a very positive direction. I very much appreciate the support of all on the committee and other Senators who have had an interest in this, in working on this to conclusion.

The PRESIDING OFFICER (Mr. ROBB). The Senator from Massachusetts [Mr. KENNEDY] is recognized.

Mr. KENNEDY. Mr. President, first of all, I want to express my appreciation, speaking for our committee, for the majority leader for scheduling this extraordinarily important education legislation early in this part of the session. I think all of us understand the enormous importance that the American people place upon education policy.

I think the fact that we have the opportunity to address this particular legislation at this time is very, very reassuring to all of them; hopefully, it is. We welcome the fact that we are having this debate at this period of the session.

We thank the minority leader, Senator DOLE, as well, for his cooperation.

As chairman of the Human Resources Committee, I want to once again pay tribute to the chairman of the Education Committee and the ranking minority member. This legislation follows a very strong bipartisan tradition in our committee, starting with Senator PELL and former Senator Stafford of Vermont. For a while, it was Senator Stafford and then Senator PELL, when this body was controlled by the Republican Party; and now again, Senator PELL and Senator KASSEBAUM.

I think they have done really yeomen's service in the preparation of this legislation, and particularly in accommodating a number of different recommendations that were made over the period of very, very extensive hearings.

I am mindful now, as we consider this legislation, 5-year authorization, of the earlier work some 20 years ago, when this body and the committee was considering what the appropriate role was going to be in the area of the Federal Government and its relationship with institutions of higher learning and individual families and students.

At that time, there was a very extensive debate about what form the help and the assistance should be in the areas of higher education. There really was one Senator, the Senator from Rhode Island, who really stuck by his very firm beliefs on how that should be structured. From that kind of early works some 20 years ago, the framework for the whole higher education legislation since that time has followed.

I think it a very wise decision, a decision to make sure that whatever was going to be the role of the Federal Government was going to be in partnership with the student. And to have the institutions of higher learning responding to the needs of students, rather than providing the direct help and assistance to the universities, and then having the students just respond to the universities.

I think this judgment, which was very extensively debated and very, very controversial, has been vindicated over the period of the last 20 years, as we have seen, as a result of this partnership of the Federal Government working with the universities, and in the more recent times, working more effectively with the private sector, working with States and in expanded cooperation with the local communities has really made us the envy of the world.

In the last several months, of the valuation of the great universities all over the world, I believe it was close to 115 of them were all here in the United States. It is one of the extraordinary achievements of recent times.

It is not that there are not other kinds of issues and other matters of



importance that we have to address, and other needs in terms of the universities.

But, nonetheless, in considering this legislation, I think it is important to review the history briefly from where we have come in order to really evaluate this regulation and to understand where we are trying to go.

That great tradition that was developed by Senator PELL and Senator STAFFORD has been replicated with the very strong and vigorous leadership of Senator KASSEBAUM, who has spent an extraordinary amount of time on the issues of education generally and, in particular, higher education. Hopefully, we can address this legislation today, or in the not too distant future, and resolve some of the matters that may be raised.

I know I can speak for the floor manager when we ask our colleagues who do have amendments if they will come to the floor at the earliest possible time so we can address these amendments. Some have been already filed with the committee, and we want to move along with the amendments through the course of the afternoon and certainly through the evening and tomorrow as well.

Mr. President, today we take up the higher education bill, the second in a series of major bills in this Congress to reform and improve all aspects of American education.

Higher education is a principal key to American domestic growth and to our competitiveness in world markets. The demand for highly skilled and educated workers is greater than ever before. The Nation cannot afford to have members of the work force handicapped by incomplete preparation. Yet over the last 15 years, the cost of college education has increased much faster than the cost of living. Higher education is increasingly out of reach for low- and middle-income Americans.

Unlike other industrialized democracies, this country expects students and their families to bear the primary burden of paying for higher education.

The reauthorization of the Higher Education Act is an opportunity to improve the current system in order to give more students the opportunity to pursue a college education and achieve their full potential.

Nearly two out of every three 1980 high school seniors attempted to go on to some form of postsecondary education with 6 years of their high school graduation. But after 6 years, only 40 percent had completed a bachelors degree, and 44 percent had dropped out. Clearly, we must dedicate our efforts to making higher education more accessible to more students, and to helping students who enroll in college to finish their degrees.

If we are to improve the academic performance and retention of our students, we must attack the problem at all levels of the educational system.

First, we must take steps to see that all children start school ready to learn. The best way to achieve this goal is by ensuring that all eligible children are served by the Head Start Program. The education and social services provided by Head Start are proven cost effective—every dollar spent in Head Start saves almost \$5 in later costs for welfare, unemployment, and crime.

S. 911, legislation which I introduced and which was reported by the Senate Labor Committee in the last session, is now on the Senate Calendar. By making Head Start accessible to all, it will assure that all students are at least given the chance to succeed.

Second, we must find ways to improve the quality of America's public schools. The leadership and commitment necessary to carry out reform is available and waiting to be tapped at the local level. The teachers who work with students are the ones who know what it will take to succeed. S. 2, which the Senate passed nearly unanimously just a few weeks ago, provides substantial resources to help local schools design and implement school restructuring plans.

Third, we must take steps to improve the school-to-work transition. Many high school students do not go to college or do not consider college. These students become the front-line workers upon whom the Nation's future productivity and competitiveness depend. Yet we do very little to assist them, or to train them for work.

Ultimately, we all lose if students do not have the means to meet basic standards in today's job market. Late last year, I introduced S. 1790, legislation to make the investment in human capital necessary to train our future workers while they are still in high school. I intend to make this bill one of the Labor Committee's top priorities in 1992.

Finally, we must take steps to expand access to postsecondary education, and that is the purpose of the legislation before us today, S. 1150. The Higher Education Reauthorization Act is designed to increase access to postsecondary education for all students.

This legislation mandates reform in several key areas of our higher education system. One of the central goals of this reauthorization is to expand student aid for middle income families. The legislation accomplishes this goal by authorizing a long-overdue increase in the size of Pell grants, and by raising limits on college loans, in order to help students keep up with the rising cost of tuition.

In addition, we have expanded eligibility for guaranteed student loans, and we have eliminated consideration of home and farm equity for families with incomes below \$50,000 in determining eligibility for the student aid program.

In the past, the inclusion of the value of a family home or farm in the cal-

culuation of need has meant that many hardworking middle income families have not been able to qualify for student aid. Rather than ask these families to mortgage their homes in order to be able to pay the rising cost of a college education, this bill makes it possible for them to borrow money at a low interest rate in order to send their children to college.

Another key goal in this legislation is to simplify access to student aid. Currently, the application process is extremely complex, and discourages many students from applying for aid. We have established a single need analysis formula to calculate eligibility, and we have mandated the implementation of a simplified, single application form. In addition, we have established automatic eligibility for the neediest students, and have excluded the valuation of all assets from need analysis for families filing a 1040EZ tax return. We have also created a new streamlined reapplication process.

One of the issues of most serious concern is to end the fraud and abuse in the Student Loan Program. In the past 5 years, we have seen an unacceptable increase in loan defaults. Most of these defaults can be attributed to schools that fail to deliver on their promise to prepare students for the job market. The default rate at proprietary schools increased from 26 percent in 1988 to 35 percent in 1989. During the same time period, the default rate at 4-year private and public colleges has remained steady at 6 percent.

Unfortunately, we have seen a continuing proliferation in the number of fly-by-night proprietary schools which are more interested in making a profit than training students. Too often, their graduates are unable to find employment and are saddled with a student loan debt which they cannot repay.

In order to exert greater control over schools that participate in the program, we have strengthened the three parts of the approval process and implemented several of the recommendations in Senator NUNN's excellent report on curbing fraud and abuse.

Schools with default rates over 25 percent will no longer be eligible to participate in the program. Short-term proprietary schools and correspondence schools have been eliminated from the program entirely. These changes will help insure that the loans we are subsidizing are providing students with a reasonable education.

We have also significantly expanded our early intervention efforts. The current rate of school dropouts is a national disgrace and a major educational and economic problem. The severity of this challenge is compounded by the fact that the proportion of students at risk of school failure—those from non-English language backgrounds, from single-parent

households, or from poor families—is on the rise in schools across the Nation. To prevent students from dropping out and encourage them to pursue a college education, we must help them earlier in the educational pipeline. Included in this legislation is the ACCESS initiative, a Federal program modeled after Eugene Lang's successful "I Have a Dream" program.

The ACCESS Program has three goals: To create and expand early intervention programs to help at-risk youth finish high school; to provide college scholarships; and to upgrade the courses taken by high school students. The initiative identifies at-risk students in the sixth through eighth grades, and provides funding for early intervention programs to keep them in school.

These intervention programs, operated by community-based organizations or local schools, continue throughout high school. One of the most critical aspects is a requirement for mentors, since experience and research have shown that students need guidance and advice in order to achieve their potential.

Students who participate in early intervention programs and complete rigorous academic courses will receive a 2-year scholarship sufficient to pay for the first 2 years of tuition at a State college or university. As the "I Have a Dream" initiative has proved so dramatically, students who know that a college education is within their reach financially are more likely to be motivated to finish high school and perform well.

We have also added provisions to strengthen teacher recruitment, retention, and development. We have established a new Teacher Corps Program to provide college aid to prospective teachers, in return for a commitment to teach in underserved areas. We have expanded programs to recruit nontraditional teachers and other outstanding individuals into teaching. We have also established national and State teacher academies for in-service teacher and school leadership training.

A further significant improvement in this legislation is to expand Pell grant funding, with the goal of reaching all eligible students by 1997.

We have worked as closely as possible with the Bush administration in preparing this legislation, but we have not been able to resolve all of our differences. In my view, the legislation deals with several issues which the administration does not adequately address.

The administration clearly is not committed to making higher education accessible to all of our students. In fact, the administration is continuing its attempt to reduce and phase out various student aid programs. In eight budget requests within the past decade, the Reagan and Bush administrations

have sought to reduce and in some instances completely phase out the Supplemental Educational Opportunity Grant Program, which provides financial assistance to undergraduate students who demonstrate need. We need more of these types of programs and not less.

Similarly, in five past budget requests, the administration has sought to cut or phase out college work-study, which provides part time jobs to financially needy undergraduate, graduate and professional students attending postsecondary education institutions. Also, the administration has attempted to phase out the Perkins Loan Program, which provides low-interest educational loans to needy students.

Clearly, the administration is not committed to helping more students get through college. Instead, their actions are making it even more difficult for needy students to complete a college degree.

Educational excellence is the key to American competitiveness in tomorrow's world. The reauthorization of the Higher Education Act is an opportunity to revise and improve the current system to give more students the opportunity to achieve their full potential. I look forward to this debate, and I urge the Senate to approve this important legislation.

Mr. HATCH addressed the Chair.

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. Mr. President, I am pleased that we are finally discussing the bill to reauthorize our Nation's higher education programs and to make key reforms in student loan programs. I believe that most of the bill has been developed with an eye toward providing quality programs within available funds.

I believe in the importance of making an education available to all Americans. Education opens the door to understanding. It helps us develop an increased appreciation of different cultures and values and enables us to dream new dreams and reach new heights. Education also prepares our work force for the future.

My home State of Utah has a proud heritage of supporting education. Our high school completion rate exceeds the national average. We have one of the highest participation rates in the Nation in advanced placement. Our colleges and universities, in both the public and private sector, do an excellent job of educating our students. Our students are sought after by employers all over the country. I salute all who work together in our State to help our students learn and to encourage them to seek additional training so they can be more productive members of our society.

I support the change to increase the maximum available Pell grant and other changes we have made that en-

able students to have greater access to higher education. The programs we added to provide early awareness of financial programs will help our students from disadvantaged backgrounds realize the opportunities open to them after high school and should increase their later participation in postsecondary training.

I believe that changes made to reduce defaults in the Student Loan Program will also serve to increase the quality of programs available to Students and to ensure accountability on the part of all players in the Student Loan Program. We simply must protect the integrity of this program. Changes to strengthen the role of States in the Student Loan Program will benefit both students and taxpayers by increasing the quality of schools participating in the program.

Simplification, by using a single needs analysis for the Grant and Loan Programs, should also increase the ability of disadvantaged individuals to apply for student aid. The current complexity and diversity of financial aid forms have created a disincentive for many students to apply for financial assistance.

I favor efforts included in the bill that assist our Nation's minorities to receive the benefits of Federal programs and educational opportunities. However, I believe that our efforts should move further in the direction of helping all low-income and disadvantaged persons without regard to race or ethnic backgrounds. This kind of race and ethnic neutral criteria will disproportionately benefit persons in those minority groups that have suffered the effects of prior discrimination, but without excluding worthy and needy persons of other racial or ethnic backgrounds.

I must admit, however, that there are also a few things in this bill that trouble me. Foremost among these is the Pell grant entitlement. I support the increased levels for Pell grants outlined in the bill. I support the idea that we should make Pell grants available for all eligible students within current budgetary constraints. I understand what the majority is trying to do in making the Pell grant an entitlement. And, if I were emperor in an ideal world with no financial constraints and no budget deficits, I would clearly provide such a program for every citizen in my kingdom. Unfortunately, this is a mere fantasy for me and every other member of this body. The sad fact is that we are forced to make choices in how to best use the funds that we do have.

Therefore, I must object to providing any entitlement, and I understand that the managers of the bill have agreed to drop the entitlement but with the expressed proviso that they may file an amendment to put it back in. So I have to object to providing any entitlement



that limits our ability in future years to make decisions about how to spend funds on discretionary programs. Every year, we continue to decrease the amount of money available to members of the Appropriations Committee for discretionary programs. So I think that should stop. We should stop adding entitlement programs to the budget.

Other programs in the higher education bill have been modified to help meet the needs in those programs and am grateful that most of these changes have been well received by the community. I believe that many of the concerns that have been raised by the community since the bill was made public in October have been addressed in the committee amendment. No bill, however, can satisfy the desires of all concerned parties because their needs and desires are sometimes in conflict. However, I think this bill has come about as close as any bill we have developed in the Education Subcommittee to meet those needs and desires.

I want to again express my appreciation to Senators KENNEDY and PELL for moving this bill forward. I would especially like to thank Senator KASSEBAUM for her tireless efforts on behalf of the Nation's students and taxpayers, many of whom happen to be parents. Most of the items have been worked out in a very open and healthy exchange of ideas. And both Senators PELL and KASSEBAUM as the chairman and ranking member on the Education Subcommittee have done a very good job.

This enabled proposals to be tested, discussed, analyzed, and revised in a spirit of cooperation. I hope that we can vote in the next few days to resolve the remaining issues some of which are very important, and I think need to be resolved before we can support this bill in its entirety.

Again, I want to thank all concerned on the Senate Labor and Human Resources Committee for the work they have done on this bill. I hope before it passes this House that we will be able to amend it, and allow it to be even better.

Mr. President, I yield the floor.

I notice my colleague from Illinois is here.

Mr. SIMON addressed the Chair.

The PRESIDING OFFICER. The Senator from Illinois [Mr. SIMON].

Mr. SIMON. Mr. President, I first of all want to commend those who played the leading role in pulling this together, and specifically to commend Senators PELL, and KASSEBAUM, the Chair and ranking member of the committee, Senator KENNEDY, and HATCH, both of whom have worked in this field of higher education.

Clearly as a nation we are going to have to do more long-term things. One of the criticisms—the Senator from Virginia is presiding right now, and has

heard it from trips abroad—is that people are saying you are not paying enough attention to long-term things, whether it is corporate America or government America.

And one of the areas where we have to do a better job is in this field of education. One of the areas where we, frankly, are ahead of those nations is in the field of higher education; but we have been slipping in some respects in that field.

This bill gives us a chance to move ahead. There are a number of things that are good, some of which have been referred to.

Let me very briefly summarize some of the things that I think are important. One is the simplified application and making it easier for people who own farms and homes to be eligible for grants and for loans under the program. The forms are complicated. I heard Senator KASSEBAUM refer to the complicated forms. They are just unbelievably complicated. We can simplify that, and I think in this legislation we will be doing that.

The fact has already been referred to that the entitlement provision on the Pell grant has been dropped. I wish it were not politically necessary to do so. And I understand the problems on entitlements.

Two of us here were in the caucus where I heard Senator BYRD, the distinguished President pro tempore, talk very eloquently about the problems that entitlements are causing us, and I think we ought to review entitlements. I think there are things that can be done to save substantial amounts of money.

If I may be immodest, Mr. President—modesty is not one of the virtues most of us in this body have, I regret to say—back when I was in the House, I was able to get a tiny amendment adopted that when we consider the Consumer Price Index, instead of calculating that market basket each month and calculating, assuming that every American bought a new home each month, that we would go to a rental equivalency basis, a very minor amendment that hardly anybody paid attention to anywhere. That amendment, believe it or not, has saved billions of dollars for this country. I think there are things that we can do to bring down the costs of entitlements without hurting anyone. I think we should review the whole question of entitlements.

On the other hand, there are areas where an entitlement can be an investment in the future. I think that is what the Pell grant is, and I think it is a mistake if we do not recognize that here is an area that really strongly needs the strength that an entitlement can provide.

So I understand the reason for it being dropped by the distinguished chief sponsor of this legislation. But I

hope that one of these days we can revisit that, because this is an area where I think we ought to have an entitlement.

Let me add, Mr. President, if I may digress, I think one of these days maybe we should have a bipartisan group in this body just look at all entitlements and say, "Where should we really have priorities and where should we not?" If all of us looked at that, I think we could use our money more wisely.

In the area of loans, maximums are increased, and let me say that we will be, today or tomorrow, offering an amendment on a self-reliance loan that I think is very close to getting agreed to. I pay tribute to my colleagues, Senator DURENBERGER, Senator BRADLEY, and I understand Senator BENTSEN has been involved in this to some extent, also, and others. My hope is that we can make some significant strides in that area.

We have had some problems with abuse. Senator SAM NUNN and a subcommittee that he heads have made some recommendations which were included here, and some recommendations that I have suggested are included. We want to make opportunities there for everyone who needs those opportunities, but we also want to stop the abuses that take place.

We expand the Paul Douglas Teachers' Scholarship Program for bright young people who want to get into the field of teaching.

I hope that with these bright pages we have here—I cannot see them on the Republican side because of the barrier, but I am sure they are just as bright on the Republican side as they are on this side—but we need bright young people going into the field of teaching.

I might add, by way of digression, this year happens to be the centennial of the birth of Senator Paul Douglas, who himself was a teacher. This program expands the program to encourage the very brightest of our young people to get into teaching, as well as the expansion of the Christa McAuliffe Program, who was a teacher who tragically lost her life in the Space Program. It also has special incentives for teachers. There is a provision offering \$10 million for programs who would recruit and train people for careers in early childhood development and special problems in that field.

I give credit to the Arrowson Institute affiliated with Loyola University in Chicago for what they have done there. We have a provision that will encourage schools and minorities to move into the foreign service.

One of the problems that we face is that we have a disproportionately small percentage of African-Americans and Hispanic-Americans and Asian-Americans going into the foreign service. This can help here. Schools that have what we sometimes call coopera-

tive programs, work learning programs—like Northeastern University, like Blackburn College in Illinois, like Berea College in Kentucky—are given a little more flexibility here.

We have a provision to encourage the development of materials for foreign languages and understanding other cultures. This is an area where we are, frankly, massively deficient in this country. In every other country I know of, every elementary school student studies a foreign language.

In the United States, according to the last figures I saw, fewer than 1 percent of our elementary school students study a foreign language. We have the only foreign service in the world where you can get into the foreign service without the knowledge of a foreign language. It is an incredible weakness that we have. This does not solve all of those problems, but it inches us forward in the right direction.

Regarding the National Center for the Workplace, Senator JEFFORDS deserves credit here for taking a look at what we are doing in terms of retraining people as technology changes in the workplace. We have some special provisions in here that I have been pleased to author that encourage Hispanic participation in higher education. We face a disproportionately low number of Hispanics who graduate from high school who go on to college. That should change, both from the viewpoint of the benefits to the Hispanic community and from the viewpoint of using the Nation's resources as fully as we can. We have provisions to encourage Native Americans in here also, in a little different connection.

We also include a stipulation that high rates of school withdrawal should trigger a review by the Department of Education in terms of whether a school should be eligible for loans and grants. We have had some abuses, real candidly, primarily from the proprietary schools; though let me just say, in fairness, that the proprietary schools also do a special job of reaching people who otherwise would not be helped.

In terms of the default rate, the default rate is about 7 percent for 4-year colleges and universities, about 18 percent for 2-year colleges, and about 33 percent for the proprietary schools. Roughly the same percentages, however, are reaching the very poorest, economically, of our population. But there have been abuses, and where there are abuses, we ought to see that they are stopped.

Finally, Mr. President, while we are increasing Pell grants, we ought to be aware that we have slipped fairly substantially.

When the Pell grants started—they were not called Pell grants at that point—the average cost of going to college was \$2,275 and the average Pell grant maximum was \$1,400. So there was roughly an \$800 differential be-

tween the two. Now, going to college—and my guess is the average costs are higher than listed here—but it is \$6,269 and a Pell grant is at \$2,300. That means that you have a \$3,900 differential between the two.

This bill will modify that some.

Finally, Mr. President, I think this bill is moving us—particularly with the amendment that I hope will be adopted either later today or tomorrow sometime—I think we are moving in a constructive direction. It is not going as far as I would like to see us go; I would like to see us make some more dramatic changes. But I think it is moving us ahead more than we did, frankly, the last time we reauthorized the Higher Education Act. It says to the Nation we are going to make education a greater priority.

Again, I am grateful to Senators PELL, KASSEBAUM, KENNEDY, and HATCH for their leadership in this whole field.

I see my colleague from Kansas is on floor, and I yield the floor, Mr. President.

Mrs. KASSEBAUM. Mr. President, first I would like to say that I think the Senator from Illinois makes some very thoughtful remarks on education. I know his dedication to education, and it has been a great help in helping us put this bill together.

I appreciate that.

Mr. SIMON. Mr. President, if I could just add the Senator from Kansas is very generous in saying I am thoughtful in the field of education. She is thoughtful in every field that comes up here, Mr. President, and particularly—this is not the subject up for consideration today—but she is the ranking member of the Subcommittee on Africa, and has done some yeoman's service in that field.

Frankly, she did not get the votes back in Kansas, paying any attention to the needs of Zaire and places like that.

I might add, the Presiding Officer took the trouble to spend a great deal of time looking into this problem of Africa, and I appreciate that, too.

Mr. ADAMS. Mr. President, by now, most of us are familiar with the six national education goals. I would have proposed a seventh goal: that every American will have access to higher education. That is the purpose of this bill.

America is first in the world in higher education. That is unquestioned. In order to maintain this position, we must make sure that all Americans have the financial ability to go to college or graduate school.

The Federal Government provides 75 percent of the grants and loans to help defray the cost of a college education. Many Americans cannot meet the skyrocketing costs of tuition, room and board, books and other educational needs without some assistance.

This bill addresses those problems. It expands the access to Federal financial aid programs for working middle-income families as well as lower-income families. Eligibility for these programs has a significant impact on students' decisions. Students will be able to choose schools based on the academic offerings, not the cost of attendance. Students who might not have been able to afford college will now have the means to go to college if that is what they want.

This bill incorporates portions of legislation I introduced in S. 1119 to expand access to grants and loans for middle-income families. Any family with an income under \$50,000 will not have the equity in their home or farm counted against them when they apply for a Pell grant or a Stafford loan.

Also, the amount of individual grant and loan awards will increase under this bill. The individual Pell grant award will be raised to \$3,600, with a \$200 increase each year thereafter. If we are serious about universal access to higher education, then we must provide the grants that make that goal a reality.

This bill also simplifies complicated financial aid forms. As many parents can tell you, the financial aid forms are a nightmare. In many instances, the EZ 1040 tax form would be sufficient. There will be one system of determining need for all of the Federal programs.

The bill seeks to end fraud and abuse of Federal aid programs by institutions of higher education. Defaults on student loans cost the Federal Government over \$3 billion a year. That is a significant problem. It is money that could be spent by giving more students higher education assistance. Schools that accept these Federal grants and loans have a duty to the Federal Government. They must not misuse or abuse the purpose of the funds. Schools must show that they are honest to their students and to the Federal Government. Under this bill, abusers will be dealt with harshly.

The Higher Education Act also contains important provisions to strengthen the teaching profession. We need to encourage more individuals to enter and to remain in teaching. This is an undervalued profession. Ask any teacher. It should be just the opposite.

Higher education builds on the education of children from early childhood through high school. School readiness is the No. 1 education goal. I introduced the early childhood staff training and professionalization bill, S. 1730, to ensure the quality of education and care of young children. These programs—be it child care, preschool or Head Start—are critical to our children's future. My own State of Washington currently is working on a comprehensive and coordinated training and professionalization system. I am



pleased that my bill was included in the Higher Education Act reauthorization along with a separate section to provide aid to institutions who prepare individuals for careers in early childhood development.

The other new provisions under title V will also attract more talented individuals into the teaching profession and will provide more opportunities for continuing education to teachers. There are many good teachers in our schools. But we need to continue to encourage and support them. We need to provide teachers with the latest educational technologies and innovations. If we do not provide the tools and education teachers need and want, we cannot expect to meet the high expectations we have for our children.

Last, we need to reach out to every American to take advantage of our wonderful higher education system. This bill includes funding for States to implement early intervention programs for disadvantaged students and students who have not been encouraged to aspire to go to college. The bill would also bring more minorities and women into graduate school programs and college-level teaching. No one should feel barred from higher education or a particular course of study because of income, gender, race or ethnicity.

Higher education should not be a privilege for the wealthy. It should be available for every American who wants it. For many jobs, a high school diploma is simply not enough. Higher education is one area in which foreign nations look to the United States. We need to make sure that every American gets the education and training to be productive workers and productive thinkers. This bill does that and I urge my colleagues to give this bill their support.

Mrs. KASSEBAUM. Mr. President, there is nobody here wishing to speak at the moment on the higher education reauthorization bill, and I would urge those who have amendments to come to the floor.

I would like to ask unanimous consent to speak as if in morning business for 2 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator is recognized as if in morning business for up to 2 minutes.

#### SOUTH AFRICA

Mrs. KASSEBAUM. Mr. President, the Senator from Illinois mentioned our committee, the Subcommittee on Foreign Relations on Africa. He is the chairman of that subcommittee, and as ranking member, I would just like to make a comment about an event that has occurred in the news today.

Earlier today, it was reported that South African President De Klerk announced that he would hold a referen-

dum on white support for the negotiations process in South Africa. Mr. President, I would like to say that by calling for this referendum, President De Klerk has taken a very bold step. I commend him for his leadership and his support, and his call for a referendum.

This, it seems to me, gives white South Africans an opportunity to vote on their future. It is time to stand up and be counted. Either they will choose to continue on the path toward a nonracial democracy, with all the uncertainty that entails, or they will turn back the clock to the days of rigid apartheid, which I believe would lead to certain economic, social, and political chaos.

It seems to me, Mr. President, that President De Klerk, by taking this step, has initiated an important and historic opportunity for South Africa, and I just wish to take this brief moment to commend him for this and to note what a very important referendum this is.

I yield the floor.

#### HIGHER EDUCATION AMENDMENTS OF 1991

The Senate continued with the consideration of the bill.

The PRESIDING OFFICER. The Chair recognizes the Senator from Rhode Island [Mr. PELL].

Mr. PELL. Mr. President, the modification to the committee substitute amendment accepted earlier has been agreed to by both sides of the Labor and Human Resources Committee and is mostly technical in nature. However, there are several important changes that address concerns with the reported bill, and I would like to highlight the most important ones at this time.

First and foremost, the amendment makes major modifications to the State licensing section that is part of the new TRIAD requirements. I am certain that nearly every Senator has heard from concerned colleges in their States on this matter. We have amended this section to address the issues raised.

Second, we strike the special consideration language from the TRIO programs and raise the authorization level to \$500 million.

Third, we incorporate the reauthorization of the Tribally Controlled Community Colleges Act as well as several other higher education programs that benefit Native Americans. This language was submitted to us by the Select Committee on Indian Affairs.

Finally, we add several other programs to our legislation that we were not able to include when the bill was voted out of committee. The Historically Black College and University Capital Financing Act, for example, will provide loans to institutions to fi-

nance the repair and renovation of campus facilities. Also, a new grant program will provide institutions of higher education with access to advanced telecommunications technology. And further innovative programs will promote the education and recruitment of teachers.

Mr. President, I ask unanimous consent that the Senator from Illinois [Mr. DIXON] be added as a cosponsor to S. 1150.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### SECTION 1202 OF THE HIGHER EDUCATION ACT

Mr. BINGAMAN. Mr. President, after reading the cordon print on the HEA committee report, I noticed that section 1202 of S. 1150 as reported, "Special Criteria for High-Risk Institutions," was missing. Am I correct in assuming that this was an inadvertent omission?

Mr. PELL. I thank the Senator for bringing this to my attention. He is correct in that the omission of the section dealing with "Special Criteria for High-Risk Institutions" was an inadvertent omission.

Mr. BINGAMAN. I would like to submit a copy of said provision to be printed in the RECORD so that the public will have the missing language.

Am I also correct in assuming that the report language was inadvertently omitted? If so, I would like to submit a copy of the report language for said provision, with the understanding that this should have the same weight for purposes of establishing legislative history as it would have had if it appeared in the report.

Mrs. KASSEBAUM. I thank the Senator very much for bringing this omission to our attention.

Mr. BINGAMAN. Mr. President, I ask unanimous consent that the material be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

#### SEC. 1202. SPECIAL CRITERIA FOR HIGH-RISK INSTITUTIONS.

Section 1203 of the Higher Education Act of 1965 (20 U.S.C. 1143) is amended by adding at the end the following new subsection:

##### "(g) REVIEW OF INSTITUTIONS.—

"(1) IN GENERAL.—(A) The relevant State licensing authority shall establish standards for the review of and review the institutions of higher education under its jurisdiction in accordance with the criteria set forth in subparagraph (B). Only institutions of higher education which met the criteria described in subparagraph (B) shall be subject to the requirements set forth in this subsection.

"(B) The criteria for the review of institutions of higher education are as follows:

"(i) An annual default rate as defined in section 435(m) equal to or greater than 25 percent for the most recent year in which data are available.

"(ii) A limitation, suspension, or termination act by the Secretary against an institution pursuant to this Act during the preceding 5 years.

"(iii) A change of ownership of the institution that results in a change of control of such institution.

"(iv) Participation in the Federal student aid programs for less than 5 years.

"(v) A substantial number of student complaints related to the management or conduct of programs assisted under this Act.

"(2) **GENERAL LICENSING REQUIREMENTS.**—An institution of higher education which meets any of the criteria described in subparagraph (B) of paragraph (1) shall—

"(A) be prohibited from using the terms 'approval', 'approved', 'approval to operate', 'approved to operate', 'licensed', or 'licensed to operate' or similar words without stating clearly that such term only means compliance with minimum licensing standards and not an endorsement or recommendation by the State or licensing authority;

"(B) be required to maintain records for all enrolled and graduated students and conduct a reasonable inquiry to determine whether students who complete a vocational education and training course of instruction offered at such institution obtain employment within 6 months of graduation from such course in the occupation for which such course prepared the students; and

"(C) be prohibited from opening branch or satellite campuses unless such branch or satellite campus first has been approved by the relevant State licensing authority as complying with the provisions of this section.

"(3) **FINANCIAL AND FIDUCIARY RESPONSIBILITIES.**—An institution of higher education which meets any of the criteria described in subparagraph (B) of paragraph (1) shall be required to meet such financial and fiduciary responsibilities as required by the relevant State licensing authority in the following areas:

"(A) Sufficiency of operating funds.

"(B) A specified percentage or ratio of current assets to current liabilities of at least 1:1, which shall not include as an asset unearned tuition, intangible assets, or Federal or State student financial assistance for future disbursements.

"(C) A record of fiscal strength.

"(D) Independently audited financial reports.

"(E) Requirements that owners, directors, officers or persons in control of such an institution have never been found guilty in any criminal, civil, or administrative proceeding of violating any law regarding the obtaining, maintenance, or disbursement of Federal or State student financial aid funds.

"(F) The absence of unpaid financial liabilities involving the improver acquisition, expenditure, or refund of State of Federal student financial aid funds.

"(G) Maintenance of adequate records.

"(4) **REQUIRED DISCLOSURE OF ENROLLMENT, RETENTION AND PLACEMENT DATA.**—(A) The standards described in paragraph (1) shall require an institution of higher education which meets any of the criteria described in subparagraph (B) of paragraph (1) to provide to the student before executing any enrollment contract the following:

"(i) A copy of the enrollment contract.

"(ii) If such institution makes any claim, express or implied about future salary, including a claim that the student may be able to repay a student loan from the salary obtained, such institution shall provide to the student the percentage of students who graduate from such institution and who earn salaries at or above the claimed level within 6 months of completing the course.

"(iii) Passage rates on required State licensing examinations if such institution represents that the course may lead to employment in a related occupation.

"(iv) If such institution has offered the course for less than 1 year, such institution shall stipulate that it is unable to state how many students graduate, how many students find jobs, or how

much money one can earn after finishing the course in question.

"(B) Such standards shall require the information described in subparagraph (A) to be based on a reasonable inquiry and documented through specific student records.

"(C) Such standards shall prohibit such an institution of higher education that has been in operation for less than 1 year from making claims regarding the future salary of graduates of such institutions.

"(D) Such standards shall require that enrollment, course completion and placement date be submitted to the relevant State licensing authority, and that such data may continue to be submitted to such authority according to whatever requirements such authority sets forth.

"(E) Such standards shall require such an institution of higher education, upon executing an enrollment contract, to provide the student with a notice of rights relating to course cancellation, tuition and fee refunds, and information regarding how the student can obtain information from the licensing authority regarding complaints and problems concerning such institution.

"(F) Such standards shall require such an institution of higher education to file annually with the licensing authority the completion, placement, and examination passage rates for students attending such institution and financial information demonstrating compliance with financial requirements required in paragraph (3).

"(G) Such standards shall require such an institution of higher education to—

"(i) file annually with the relevant State licensing authority an audit and a report, including financial statements conducted by a licensed certified public accountant;

"(ii) retain and make available the work papers used for the audit described in clause (i) for a period of 5 years; and

"(iii) within 6 months of the submission of each audit described in clause (i), submit a copy of the audit report to the Secretary.

"(5) **STATE LICENSING REQUIREMENTS.**—Such standards shall require an institution of higher education which meets any of the criteria described in subparagraph (B) of paragraph (1) and offers courses of instruction differing from the standards for State licensure in specific occupations to disclose the relevant State licensing authority's minimum licensure requirements and how the course differs from such requirements.

"(6) **COURSE CANCELLATION POLICY.**—(A) Such standards shall require an institution of higher education which meets any of the criteria described in subparagraph (B) of paragraph (1) to provide students with a description of the right to cancel a course or series of courses within specific time periods and under specific conditions set forth by the relevant State licensing authority.

"(B) Such standards shall require that—

"(i) such an institution of higher education provide all students, during the first class, a cancellation form indicating the date of the agreement and the number of days in which the course can be canceled without penalty or obligations; and

"(ii) the form described in clause (i) specify the student's responsibilities regarding cancellation.

"(7) **REFUND POLICY.**—Such standards shall require an institution of higher education which meets any of the criteria described in subparagraph (B) of paragraph (1) to provide students with a description of the right to withdraw from such institution at any time and receive a refund minus a reasonable registration fee not to exceed an amount set by the relevant State licensing authority.

"(8) **CONTRACTS; REQUIRED DISCLOSURE.**—Such standards shall require an institution of

higher education which meets any of the criteria described in subparagraph (B) of paragraph (1) to include in each of its enrollment contracts—

"(A) a general description of the course and equipment required of the student;

"(B) the total number of classes, hours, or lessons required for completion of the course;

"(C) the total payment obligation for such course, including all fees, charges, and expenses;

"(D) a statement regarding the specific amounts for which the student is responsible, which shall appear immediately above the student's signature; and

"(E) the total charge for each item of equipment, separately stated and not to exceed such item's fair market value.

"(9) **PROHIBITION AGAINST ENROLLING STUDENTS IN THE MIDDLE OF A COURSE.**—Such standards shall prohibit an institution of higher education which meets any of the criteria described in subparagraph (B) of paragraph (1) from enrolling students in the middle of a course, suspending courses, or changing times or locations of such courses.

"(10) **RECORDS ACCESS.**—Such standards shall require—

"(A) an institution of higher education which meets any of the criteria described in subparagraph (B) of paragraph (1) to maintain accurate records for at least 5 years showing the names and local addresses of students, the courses of instruction offered, and the names, addresses, and qualifications of faculty to the extent practicable; and

"(B) such an institution to make all such records available for immediate inspection by the relevant State licensing authority, the designated State guaranty agency, or the Secretary.

"(11) **INSTRUCTION; INSTRUCTIONAL MATERIALS.**—Such standards shall prohibit an institution of higher education which meets any of the criteria described in subparagraph (B) of paragraph (1) from withholding instruction or materials from a student pending receipt of Federal or State student financial aid used to pay tuition.

"(12) **PENALTIES; RECOVERY OF DAMAGES.**—Such standards shall provide for penalties and recovery of damages as follows:

"(A) If an institution of higher education which meets any of the criteria described in subparagraph (B) of paragraph (1) violates any provision of this section in connection with any enrollment contract, the contract shall be considered unenforceable and a total refund of all charges incurred by the student pursuant to the enrollment period is required.

"(B) If such institution violates any provision of this section, a student may bring an action for recovery of damages, equitable relief, and attorney's fees against such institution.

"(C) A civil penalty of not more than twice the damages sustained by the student described in subparagraph (B) may be assessed if a court of competent jurisdiction in an action brought by such student finds that the violation is substantial or was willfully committed.

"(D) All penalties and recovery of damages described in this paragraph must be commenced within 3 years of the discovery of the facts regarding such institution's violation.

"(13) **APPLICABILITY OF STATE LAW.**—Notwithstanding any other provision of law, the relevant State licensing authority shall have the authority to develop and implement standards to comply with Federal law pertaining to institutions of higher education within the State which meet the criteria described in subparagraph (B) of paragraph (1).

"(14) **APPROVAL BY THE SECRETARY.**—In order for institutions of higher education in a State to be eligible to participate in Federal student aid



programs, the Secretary shall determine if standards adopted by the relevant State licensing authority are in compliance with the provisions of this section.

"(15) DEFINITIONS.—For the purposes of this section—

"(A) the term 'enrollment contract' means any contract, agreement, or other arrangement under which an individual agrees to attend, participate, or enroll in a course or program of study at an institution of higher education; and

"(B) the term 'relevant State licensing authority' means the State board, commission or agency designated by the appropriate State authority for the purpose of enforcing the licensing requirements described in this section."

#### REPORT LANGUAGE FOR STATE LICENSING STANDARDS

The Committee adopted provisions to amend title XII of the Higher Education Act requiring States to implement licensing standards for the schools within their boundaries. Over the past several years, the Guaranteed Student Loan (GSL) programs have been spotlighted in Federal investigations and reports, lawsuits, and newspaper and television exposes because of fraud and abuse. Most of the horror stories have risen from unscrupulous schools that exploit students to gain access to Federal student loan dollars.

The Committee has for the past two Congresses passed legislation addressing default prevention and integrity provisions. However, the Committee's legislation never became law. Unfortunately, too many ill-administered institutions are still providing low quality education and overburdening disadvantaged students with large education debts.

Institutions must go through three separate processes (called the TRIAD) to become eligible to participate in Federal student financial aid programs. The TRIAD consists of State licensing, accreditation, and Department of Education eligibility and certification. Each of these processes plays a distinct and essential role. For the programs to function effectively, all parts of the TRIAD must be sound and must have stringent integrity requirements.

State licensing standards and requirements are the first step in the process. They are supposed to ensure consumer protection. They guarantee that the citizens of the State who become students of its institutions will not be exploited and that the institutions meet all State laws. During the many hearings held over the past four years by this Committee and investigative committees, witnesses have come forth to ask for stringent guidelines for State licensing. Even organizations representing State education officials have asked for Federal government leadership in this area.

Currently, State licensing standards are uneven. In some States, there are stringent requirements; in others, they are nearly nonexistent. Where strong standards are lacking, the students of the State are at risk, as are Federal taxpayers. The Committee's provisions address the deficiencies in State licensing by setting the standards necessary to protect scarce Federal dollars.

The Committee's provisions provide States with strong Federal standards by which to implement sound licensing requirements, and put the teeth back into integrity and accountability.

In the past few years, several higher education institutions have closed their doors, leaving students with an incomplete education or training and with no relief for their

student loans. Because their financial capacities were weak at the time that the Department of Education certified them as eligible participants in Federal aid programs, these institutions were sure to fail. The Committee's amendment therefore requires that new schools be placed under very close scrutiny for the first five years.

The Committee's provisions set up a two-tier structure. The first tier determines which schools need close supervision, such as new schools, schools against which numerous complaints or findings have been made, and schools with default rates greater than 25 percent.

Schools which fall into the first category are subjected to rigorous review. The Committee's second-tier provisions prevent school closures by requiring that institutions meet and maintain a current asset to current liability ratio of at least 1:1. The Committee also requires that students are told their rights and responsibilities and what they can expect from their education program up front so that they are not deceived and can decide if the program is right for them.

#### LOAN DEFERMENT AND CANCELLATION PROVISIONS

Mr. BUMPERS. I would like to ask the chairman of the subcommittee, Senator PELL, a few questions about the loan deferment and loan cancellation provisions of S. 1150.

The current deferments for Peace Corps and VISTA Volunteers and for those who perform comparable full-time service with tax exempt community service organizations are found in section 428(b)(1)(M)(iii), (iv), and (v) and section 464(c)(2)(A)(iii), (iv), and (v) of the Higher Education Act. Sections 428 and 451 of S. 1150 provide for a deferment for student borrowers who are "working full-time and \* \* \* earning or below 100 percent of the poverty line for a family of 2. \* \* \*"

Could the chairman tell me whether the new loan deferment language in S. 1150 provides for a deferment for all those student borrowers who currently qualify for the deferment because they serve as Peace Corps or VISTA Volunteers or as full-time volunteers with tax-exempt community service organizations? Based on the language of the new deferment I would certainly think that they are covered.

Mr. PELL. Yes. I am happy to say to my friend from Arkansas that the deferment provided in S. 1150 does provide a deferment for all those borrowers who qualify for the existing deferments to which he has referred. The committee specifically chose this standard to make certain that Peace Corps and VISTA volunteers would be covered as well as those community and national service volunteers who perform comparable full-time, low-paid service, who qualify for a deferment under the current law. This deferment also applies to those who receive stipends under the National and Community Service Act of 1990.

Mr. BUMPERS. I thank my friend. The reason I ask is because we have finally been able to determine precisely

what "comparable" service is under the current deferment and I do not want there to be any confusion about who qualifies under this new, less explicit deferment.

Mr. PELL. The Department must continue to grant deferments under this bill to those who already qualify under the provisions of the Higher Education Act to which the Senator has referred.

Mr. BUMPERS. What are the obligations of the Department of Education in providing detailed notice to student borrowers about how they might qualify for the new deferment?

Mr. PELL. The Department of Education must provide detailed information on the terms of the current deferment. For example, it must translate the compensation standard into a specific, numerical earnings limit so that students will know how much they can earn.

It also must make clear what kind of service qualifies for the deferment. The bill as drafted does not refer to Peace Corps or VISTA service, so the Department must state in all of its publications that Peace Corps and VISTA service does qualify.

The bill as drafted does not refer to comparable full-time service with a tax-exempt community service organization. So, the Department must make it clear that the student borrower qualifies if he or she is performing community service with a tax exempt community service organization that meets the lower-wage standard.

Mr. BUMPERS. I again thank the Chairman.

Let me ask one last question. Do these same standards apply to the new Stafford loan cancellation provision in section 1221 of the bill?

Mr. PELL. Yes; what I have said applies to the proposed Stafford loan cancellation provision. Peace Corps and VISTA Volunteers and those who perform comparable service qualify for both the current deferment and for the Stafford loan cancellation under section 1221.

Mr. BUMPERS. I very much appreciate the chairman's time in answering all of these questions and my concerns on this issue.

In order to make all of what we have said as clear as possible, I ask unanimous consent to print the text of three letters I have received from the Department of Education that cover a number of more detailed issues about who qualifies for the current deferment. From the chairman's statements, I gather that these letters define what service is considered to be "comparable" to Peace Corps and VISTA service and what service qualifies for both the current and new deferment and the new Stafford Loan Cancellation Program.

Mr. PELL. Yes. The new deferments should continue current policy on

these deferments as clarified in this exchange of letters. I thank the Senator for clarifying this issue.

DEPARTMENT OF EDUCATION,  
Washington, DC, September 1, 1988.

Hon. DALE BUMPERS,  
U.S. Senate, Washington, DC.

DEAR SENATOR BUMPERS: This is in response to your June 6 letter regarding the Department of Education's loan deferment and cancellation provisions for student borrowers under the Stafford Loan program (formerly referred to as the Guaranteed Student Loan program), the Supplemental Loans for Students (SLS) program, and in the Perkins Loan program.

Specifically, you requested clarification of the terms and conditions under which a borrower would qualify for a deferment of loan repayments as a full-time volunteer in service the Department has determined to be comparable to service in the Peace Corps or under the Domestic Volunteer Act of 1973.

I shall respond to your concerns in a question and answer format in the same order as your questions were presented in your letter.

#### A. PROCESS FOR CLAIMING THE DEFERMENT

##### Questions:

1. How does the student borrower claim the deferment? What form or forms must he or she file with the Department?

2. From whom is this form available?

3. To whom is the form submitted?

##### Answer:

The borrower does not file any deferment forms with the Department. In order to receive a deferment under the Perkins Loan program, a borrower must apply by obtaining a "Request for Deferment of Repayment" form from his or her institution. This form must be completed and submitted to the institution.

A borrower in the Stafford or SLS Loan program must request from his or her lender a deferment of repayment and provide all required documentation to establish eligibility for the deferment. Generally, lenders use a "deferment form" provided by the guarantee agency which is similar to that used in the Perkins Loan program. The completed form and accompanying documentation must be submitted to the lender.

Question 4: Must an official of the tax-exempt organization employing the student borrower certify that the student borrower qualifies for the deferment?

Answer: In the Perkins Loan program, the institution determines that the borrower qualifies for deferment based on regulatory requirements; however, an authorized official of the tax-exempt organization must sign the form certifying the period of service. The Stafford or SLS Loan program regulations require that the borrower provide the lender with a statement from an official of the borrower's employing tax-exempt organization certifying that the borrower qualifies for the deferment, based on the requirements in 34 CFR 682.210(d).

Question 5: Must this deferment claim form be submitted each year? How often must the student borrower renew or substantiate his or her claim for the deferment?

Answer: In the Perkins Loan program, the form must be filed at least once a year (up to three years). If the borrower's deferment status changes, he or she must immediately report the change to the institution. A Stafford Loan program borrower is not required to obtain an annual certification of eligibility for the deferment. The deferment is granted for the period of time (up to three

years) specified on the deferment form which is certified by the tax exempt organization. A Stafford or SLS Loan borrower must notify the lender if his or her deferment status changes.

Question 6: Can a student borrower claim the deferment at any time during his or her loan repayment period, not just when he or she otherwise would first commence repayment of the loan?

Answer: Yes, a borrower may file for deferment under the Perkins Loan, Stafford and SLS Loan programs at any time during his or her repayment period, except if the borrower is in default.

Question 7: How does the student borrower inform the Department when his or her term of service with the tax-exempt organization is complete? To whom is the form submitted?

Answer: The borrower does not inform the Department. However, the Department of Education recommends that the institution or lender confirm a borrower's service at the end of each year. The borrower is required to notify the lender if he or she ceases to qualify for the deferment prior to the ending date specified on the deferment form.

Question 8: Who can the student borrower contact at the Department of Education with any questions about the process for claiming the deferment?

Answer: Under the Perkins Loan program, a borrower should contact his or her institution regarding the process for claiming deferments. A borrower under the Stafford or SLS Loan program should contact his or her lender. The guarantee agency insuring the loans may also be contacted for further information.

Should borrowers need further information from the Department of Education on deferment-related matters, they may address their questions to:

Federal Student Aid Programs, P.O. Box 84, Washington, D.C. 20044, toll free (800) 333-INFO.

#### B. TERMS OF DEFERMENT

Question 1: For what types of government student loans is the deferment available?

Answer: This deferment is available for students who borrowed under the Perkins Loan program on or after October 1, 1980, and for all borrowers under the Stafford and SLS Loan programs. These programs are authorized under Title IV of the Higher Education Act of 1965, as amended, 20 U.S.C. §1079 et seq.

Question 2: Is there any limit on the amount of government student loans which can be deferred?

Answer: There is no limit on the dollar amount of loans or number of loans which can be deferred; however, a borrower may not receive deferments of repayment on his or her loans due to full-time volunteer service for more than a three-year period.

Question 3: Can a student defer repayment of different types of government student loans at the same time?

Answer: Yes.

Question 4: Does the deferment apply to both payments of principal and payments of interest on the loan by the student borrower?

Answer: For loans made under the Perkins Loan program, interest does not accrue and installments on principal need not be paid during the deferment period. For a Stafford or SLS loan, principal need not be paid during the deferment period. Under the SLS program, interest continues to accrue and is paid by the borrower during the deferment period unless the lender agrees to capitalize

it. Interest on Stafford loans is paid by the Secretary during authorized deferment periods.

Question 5: Does the fact that a student borrower has deferred repayment of his or her loan affect the terms or amount of repayment of these loans when the student borrower commences repayment of the loans?

Answer: Generally, this deferment does not affect the terms or amount of repayment of these loans. However, if a lender agrees to capitalize the interest for a deferred SLS loan, the borrower's debt will increase during the deferment period.

Question 6: Does interest accrue during the term of the deferment?

Answer: See Number 4 above.

#### C. REPAYMENT OF LOANS

Question 1: After the student borrower no longer qualifies for the deferment, when must the student borrower commence repayment of the loans? What grace periods is the student borrower entitled to when the deferment is no longer available? Can the student borrower waive these grace periods?

Answer: For loans made under the Perkins Loan program on or after October 1, 1980, a borrower is required to begin repayment six months after the deferment ends. However, a borrower may begin making payments earlier if he or she so desires. There was no post-deferment grace period for loans made prior to October 1, 1980.

Under the Stafford Loan program, post-deferment grace periods are provided only for loans made prior to October 1, 1981. The post-deferment grace period was authorized by the Education Amendments of 1980 (Pub. L. 96-374), and became effective for all loans on January 1, 1981. It was repealed by the Omnibus Budget Reconciliation Act of 1981 (Pub. L. 97-35), effective for all loans disbursed on or after October 1, 1981. For these loans, a grace period of six consecutive months is provided beginning on the day following the last day of an authorized deferment period. No grace period is provided for SLS loans; repayment begins 60 days after the loan is disbursed. A Stafford Loan borrower who qualifies for a post-deferment grace period may commence the repayment period earlier than required.

Question 2: Does interest accrue during the term of any grace period following the deferment period?

Answer: For loans made under the Perkins Loan program, interest does not accrue during the six month post-deferment grace period.

For Stafford loans made prior to October 1, 1981, interest continues to accrue and is paid by the Secretary during a post-deferment grace period. No post-deferment grace period is available for Stafford loans made after October 1, 1981, or for SLS loans.

#### D. "TAX-EXEMPT" ORGANIZATION

Question 1: Is the deferment available for service with all tax-exempt organizations which provide services similar to those that are provided by VISTA and Peace Corps Volunteers?

Answer: The deferment is available to full-time volunteers with an organization that is exempt from Federal income taxes under section 501(c)(3) of the Internal Revenue Code of 1954, provided the individual is performing services comparable to those provided by volunteers in VISTA and the Peace Corps.

Question 2: Who can the student contact at the Department of Education with any questions about whether service with a particular tax-exempt organization qualifies for the deferment?



Answer: Under the Perkins Loan program, a borrower should contact the institution to determine if service with a particular tax-exempt organization qualifies for the deferment. A borrower under the Stafford Loan program should contact his or her lender. The guarantee agency insuring the Stafford Loan or SLS loan may also be contacted for further information. Should a borrower need further information from the Department on deferment-related matters, he or she may address questions to:

Federal Student Aid Programs, P.O. Box 84, Washington, D.C., 20044, toll free (800) 333-INFO.

#### E. "FULL-TIME" SERVICE

Question 1: Is there any specific number of hours a week a student borrower must serve for the service to be considered "full-time?"

Answer: The number of hours of service required for a borrower to be considered to be serving on a full-time basis is determined according to the standard requirements established by the employing organization for full-time service.

Question 2: Assuming that a student borrower does serve "full-time" with a tax-exempt organization and fully qualifies for the deferment, may the student borrower hold a second, part-time position, for example, as a part-time waiter or waitress? Would the compensation received by the student from this second, part-time position be counted towards the maximum compensation limitation which applies to the "full-time" position with the tax-exempt organization?

Answer: If the borrower's service with the tax-exempt employer meets all the requirements for the deferment, then he or she would be entitled to the deferment regardless of other employment. The compensation received by the student from a second, part-time position would not count towards the compensation limitation which applies to service in the tax-exempt organization.

#### F. AT LEAST "ONE YEAR"

Question 1: If a student borrower claims the deferment with the intention of serving for one year, but does not, in fact, complete one year of full-time service, does this fact affect the terms or amount of repayment of these loans? Are any penalties imposed on the student borrower for failing to complete one year of service?

Answer: If a borrower's service ends before he or she completes a year of service, the borrower must notify the institution or lender and begin repayment immediately, unless the borrower qualifies for a grace period as discussed in C 1. No penalties would be imposed on the borrower, and neither the terms nor amount of repayment would be affected.

#### G. PARTIAL LOAN CANCELLATION FOR PEACE CORPS OR VISTA VOLUNTEERS UNDER THE PERKINS LOAN PROGRAM

Question 1: With respect to this partial cancellation provision, is 15 percent of the student borrower's loans canceled for each of the first two years of service and 20 percent canceled for each of the second two years of service? In short, is the maximum amount of the student's loans which may be canceled 35 percent or 70 percent?

Answer: The maximum amount of the student's Perkins loan that may be canceled is 70 percent. This cancellation applies to Perkins loans made for periods of enrollment beginning on or after July 1, 1987 to individuals who on that date had no outstanding balance of principal or interest owing on any loans previously made under the National Defense, National Direct and Perkins Loan programs.

Question 2: Is there any limit on the dollar amount of loans that may be canceled?

Answer: There is no limit on the dollar amount of loans that may be canceled.

#### Question:

3. What types of government loans are covered by this partial cancellation provision?

4. If the student has Stafford loans that were taken out before July 1, 1987, but no Perkins loans before that date, does the provision apply to Perkins loans taken out after that date?

Answer: This cancellation provision is effective only for Perkins loans made on or after July 1, 1987. It does not apply to Stafford loans; there are no provisions for cancellation under the Stafford Loan or SLS programs for volunteer service. The availability of cancellation under the Perkins Loan program would not be affected by the existence of Stafford or SLS loan obligations regardless of the date those obligations were incurred.

Question 5: In years after the first year of service, is the amount of loans to be cancelled based on the student borrower's initial loan balance or the adjusted balance after partial cancellation?

Answer: After the first year of service, the amount of loans to be cancelled is still based on the original principal loan amount.

Question 6: Can a student borrower qualify for the partial cancellation at any time during his or her loan repayment period, not just when he or she otherwise would first commence repayment of the loans?

Answer: A borrower may qualify for the partial cancellation at any time during his or her loan repayment period.

Question 7: How does the student borrower notify the Department that he or she qualifies for partial cancellation? What form must he or she file with the Department? To whom is the form submitted?

Answer: The student does not notify the Department. He or she should notify the institution, and request postponement of repayments in anticipation of cancellation. An institution may postpone loan repayments for a 12-month period if the borrower will be providing services eligible for loan cancellation. To request postponement, the borrower must complete a postponement/cancellation request form (obtained from the institution) and have the form signed by an official of the tax-exempt organization. If it appears that the borrower will be eligible for cancellation, the approved postponement request will provide that no payments will be due until the end of the year of volunteer service. If it appears that the borrower will not be eligible, he or she will be notified that payments will be required.

To receive the cancellation, the borrower must obtain a cancellation request form from the institution and apply for the cancellation by submitting the form at the end of each year of eligibility. The form should be submitted once a year for as long as cancellation can be claimed.

As requested, I am enclosing samples of forms used to request deferment of repayment, postponement of repayment, and cancellation of loan repayment under the Perkins Loan program. Similar forms for use in the Stafford Loan and SLS programs have been developed by guarantee agencies. The Department has no set standards concerning the format of this form as long as the form contains the appropriate information to allow lending officials to make a determination of a borrower's eligibility for deferment.

I am also enclosing a Chapter 5 of the Federal Student Financial Aid Handbook. The Handbook provides guidance to the financial aid community on the deferment of loan re-

payments for volunteer service in a tax-exempt organization, and the partial cancellation for Peace Corps/VISTA service.

I hope this information will be helpful to you. If you need any further assistance, please let me know.

Sincerely,

KENNETH D. WHITEHEAD,  
Acting Assistant Secretary.

DEPARTMENT OF EDUCATION,  
Washington, DC, May 26, 1989.

HON. DALE BUMPERS,  
Chairman, Committee on Small Business, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: Thank you for your letter of March 9, 1989, regarding deferment of repayment, partial cancellation, and maximum compensation for Stafford and Perkins Loan Program borrowers who are full-time volunteers for tax-exempt organizations. In considering your questions and concerns, we have undertaken an in-depth review of the proposals in S. 539, S. 540, and S. 541, and previous responses to you on the issues addressed in your letter. It was for this reason that our response to you was delayed.

In your letter, you recommend that the maximum compensation for borrowers serving as full-time volunteers in tax-exempt organizations should be set at no less than the Federal minimum wage. After examining this issue, the Department agrees with your recommendation and is working to revise the regulations accordingly.

Detailed information on all available deferments is provided to every Stafford and Perkins loan applicant in the loan application materials. Under 34 CFR 682.205 of the Stafford Loan Program regulations, lenders are also required to notify each borrower in writing of the opportunity to defer his or her loans and the eligibility criteria for each deferment, prior to the commencement of repayment. In addition, schools provide this information to borrowers during the exit counseling required under section 485(b) of the Higher Education Act of 1965, as amended. Finally, the Department of Education's annual consumer publication, "The Student Guide," provides all prospective loan applicants with a summary of all deferments provided under the Perkins Loan and Stafford Loan Programs. Through these means, information on the availability of the deferment for full-time volunteer service is being disseminated widely today.

The Department actively supports the concept of volunteer service and believes that the current deferment provisions are sufficient to ensure that borrowers' student loan obligations do not inhibit them from choosing to perform such service. I believe that our decision to allow borrowers in volunteer service at tax-exempt organizations to earn compensation at a level up to the Federal minimum wage demonstrates that support. However, I regret that the already rising costs of these programs preclude us from supporting legislation, such as S. 540 and S. 541, that would further increase program expenditures by providing for partial forgiveness of student loans in exchange for volunteer service.

Thank you again for your letter and for your interest in the volunteer service deferment.

Sincerely,

LAURO F. CAVAZOS,  
Secretary.

DEPARTMENT OF EDUCATION,  
Washington, DC, March 8, 1990.

Hon. DALE BUMPERS,  
U.S. Senate, Washington, DC.

DEAR SENATOR BUMPERS: This is in response to your letters regarding deferment of repayment for borrowers in the Guaranteed Student Loan (GSL) and Perkins Loan programs who are full-time volunteers for tax-exempt organizations.

We have developed a Notice of Proposed Rulemaking (NPRM) to revise the regulations governing the GSL programs. We anticipate publishing the NPRM in the late spring. In response to your recommendation, the NPRM will clarify that the wage limit on compensation of volunteers refers to basic compensation and does not preclude a tax-exempt organization from providing the same fringe benefits to a volunteer, such as health insurance, that are offered to other employees.

If this treatment of fringe benefits is included in the final regulation, we will revise our publications to make it clear that a volunteer may be compensated by a tax-exempt organization at a rate not exceeding minimum wage. We will also notify the major higher education associations, such as the National Council of Higher Education Loan Programs, the American Council on Education, the National Association of Trade and Technical Schools, and the National Association of Student Financial Aid Administrators, that a volunteer may be compensated at the minimum wage level and receive fringe benefits, in a manner similar to a regular employee of the organization, and still qualify for a deferment. We believe that publicizing the policy in this manner will be effective, since these associations are established conduits of similar information and will bring attention to the availability of this deferment. However, we do not believe it would be appropriate to use the term "paid employee" in publicizing this deferment as you suggest since the statute uses the term "volunteer."

In our September 1, 1988, letter to you, we clarified the terms and conditions under which a borrower would qualify for a deferment of loan repayment as a full-time volunteer in service to be comparable to service in the Peace Corps or under the Domestic Volunteer Act of 1973. The conditions will be addressed in the upcoming NPRM. In addition, the Department will explain the deferment in general information materials that are provided directly to the borrower.

I trust this response satisfactorily addressed your concerns regarding this issue. Please contact me if I can be of further assistance.

Sincerely,

LAURO F. CAVAZOS,  
Secretary.

CLARIFYING REPORT LANGUAGE ON AUTHORIZATIONS FOR THE NATIONAL BOARD FOR PROFESSIONAL TEACHING STANDARDS

Mr. DODD. I would like to clarify one point with the distinguished manager of the bill. Am I correct in understanding that the provisions in the legislation concerning the research and development work of the National Board for Professional Teaching Standards will authorize a total of \$20 million in matching funds for the board in addition to the \$5 million which was appropriated for that purpose in the fiscal year 1991 appropriations bill?

Mr. PELL. The Senator is correct. It is our intention that the National

Board receive a total of \$25 million in Federal matching funds for its important work in developing national voluntary certifications for exemplary elementary and secondary school teachers. The provisions in the bill reflect the fact that the Board had already received an appropriation of close to \$5 million for fiscal year 1991. And now, in fact, the Board has received close to \$10 million in direct appropriations. The \$5 million appropriated for the Board's research activities in fiscal year 1992 will be subject to this authorization according to the terms of our legislation so that the Board receives the full \$25 million which we intended.

#### TITLE III, PART A, WAIT-OUT PERIOD

Mr. GRAHAM. Many Florida colleges and universities have utilized title III, part A funds to improve services to students. In the last 5 years, six Florida institutions have received new title III funding. These include Brevard Community College, Daytona Beach Community College, Gulf Coast Community College, Nova University, Valencia Community College, and St. Thomas University.

Title III grants at these institutions have helped to improve the planning of services for students, improved instruction by providing the latest instructional technologies and faculty training, and helped to develop new curricula to meet the needs of business and industry. These activities have benefited tens of thousands of Florida students, leading directly to measurable improvements in student success in college.

I would like to ask a few questions of the chairman of the Education Subcommittee, Senator PELL, to clarify the intent of this provision of the Higher Education Act.

Mr. PELL. I thank the Senator from Florida [Mr. GRAHAM] for directing his questions to me, and I would be pleased to respond to them.

Mr. GRAHAM. Mr. President, could the chairman explain to me the meaning of the so-called wait-out period, as it exists in part A of title III of the Higher Education Act?

Mr. PELL. Certainly. Under part A of title III of current law, institutions receiving 4- or 5-year grants may not apply for additional grants immediately after their current assistance ends. Recipients of 4-year grants must wait an additional 4 years before applying for additional funding under part A, while institutions receiving 5-year grants must wait an additional 5 years before reapplying. It is this length of time during which institutions are not receiving funding and may not reapply that we call the wait-out period.

I might add that the wait-out period has proven rather onerous for institutions receiving grants under part A. After funding ends, these schools not only have difficulty building upon the success of their programs, but they are

often unable to address additional needs in areas that have not been assisted.

Mr. GRAHAM. I thank the chairman. Following up on his response to my last question, can he tell me how the reauthorization bill, S. 1150, will amend the wait-out provision to alleviate the current situation?

Mr. PELL. By all means. The reauthorization bill simply eliminates the wait-out period for institutions receiving grants under part A. At the same time, however, we have included a provision requiring the Secretary of Education to give preference to those institutions which are not receiving part A funding. It is our hope that part A funding will remain widely available to all needy institutions, including those institutions that are not currently receiving grants.

Mr. GRAHAM. I again thank the chairman. It appears that in giving priority to unfunded institutions, the legislation may be interpreted as requiring a de facto continuation of the wait-out? Is this in fact the committee's intent?

Mr. PELL. No. We do expect that institutions which are not receiving grants at the time of application will be given preference over those which are currently being funded. However, as soon as an institution's funding ends, that institution will be put in the priority category. The result may be a wait-out of 1 year, but it should be no longer than that.

Mr. GRAHAM. I would like to commend the chairman and the committee for making these improvements. I am pleased that the wait-out period has been eliminated and priority is still given to those not currently receiving title III, part A funding. I again thank the chairman for taking the time to respond to my questions.

Mr. PELL. And I thank the Senator from Florida for raising this important issue.

#### ALTERNATIVE ROUTES TO TEACHER AND PRINCIPAL CERTIFICATION AND LICENSURE

Mrs. KASSEBAUM. I would like to clarify with the chairman of the Education Subcommittee, Senator PELL, a few issues relating to provisions in S. 1150 dealing with alternative routes to teacher and principal certification and licensure.

Mr. PELL. By all means. I would be pleased to discuss any issues that the ranking member of the subcommittee, Senator KASSEBAUM, might wish to raise.

Mrs. KASSEBAUM. The new program on alternative routes to certification and licensure included in the bill is intended to bring into the classroom individuals who have something to contribute as teachers but who have a college degree in a field other than teaching. Is that not correct?

Mr. PELL. This new program responds in particular to the two kinds of



teacher shortages which our Nation is currently facing. First, new persons entering the teaching profession are less likely to come from minority groups than in the past, though the number of minorities in schools of education is increasing. Second, teaching vacancies are reported in certain subject matter and geographic areas. It is therefore in the Nation's interest to support programs that will attract qualified persons into teaching careers, particularly those from underrepresented groups. To that end, the new program in title V will assist States that wish to establish alternative routes to certification and licensure.

Mrs. KASSEBAUM. The chairman's reference to assisting States is an important point. This initiative is a grant program to the States, which have the responsibility for designing alternative certification activities and requirements which are appropriate to their circumstances. The Federal Government would not be assuming any licensure or certification functions.

Mr. PELL. No; it would not. As the Senator knows, it is not our intent to insert the Federal Government into matters of State licensure. States should be responsible for licensing the teachers and administrators to whom the public entrusts its children. In addition, States must not abrogate their responsibility to assure that all educators meet appropriate criteria.

Mrs. KASSEBAUM. I thank the chairman, and I would like to make one final point. In talking about alternative routes to certification and licensure, we are talking really about a different process by which teachers and administrators can obtain State credentials. For example, it is reasonable to expect that a State might want, say, an engineer to learn something about teaching techniques before going into the classroom, but that does not mean that the engineer must in effect obtain another college degree in teaching.

Mr. PELL. That is right. On the one hand, alternative routes permit recognition of the unique strengths of prospective educators from nontraditional backgrounds. At the same time, it is important that these individuals meet the same standards for teaching ability expected of those who enter the teaching profession through the traditional process.

Mr. President, I see no colleagues on the floor. I urge those who may be listening in their offices to come over with their amendments, because it is the intention of the majority leader to press ahead as fast as he can to move this bill along.

In the meantime, I have no alternative but to suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. LOTT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LOTT. Mr. President, I ask that I be recognized to speak in support of S. 1150, the reauthorization of the Higher Education Act of 1965.

The PRESIDING OFFICER. The Senator from Mississippi is recognized.

Mr. LOTT. Mr. President, I am one of those who has been a beneficiary of student financial aid programs. When I finished my undergraduate degree, I entered the University of Mississippi Law School. I could not have completed my education without the benefit of what was then known as the NDEA Loan Program, the forerunner of the NDSL loan program we have now. It was the avenue that made it possible for me to finish law school. So I have a personal appreciation of the loan program. And, when I graduated I felt an obligation to repay that loan quickly.

After I graduated, I worked for 2 years for the university placement and financial aid office. I helped students, ascertain whether they were qualified for a grant or a loan and I assisted them with their applications. I found it a very rewarding job.

I remember also traveling around my own State, speaking at high school career day programs, college day programs, community colleges. I told the students then that any student in Mississippi—and, in fact, any student in America—who wanted to go to college and to improve himself or herself by getting an education, should be able to do that. And, as a matter of fact, they had access to a number of forms of financial aid. Many students might be eligible for scholarships, loan programs, such as direct Government loan program, or the guaranteed student loan program through a bank. Some were also eligible for grants or work-study. I was convinced then that they could get the financial aid that they needed. And a lot of young men and women were able to go on to college because of these programs.

I, myself, worked in the work study program for a year while going to law school. In my opinion Mr. President, this is a good program. Some students do not qualify for the grants or the loans, but they can still help themselves with the expense of a higher education by working part-time for the university in some of the offices or various and sundry other jobs. I am convinced that these are good programs.

There are disagreements about where the priorities should be. Some people would give grants on a mandatory basis, an entitlement basis, to almost everybody. I think that would be a mistake. I think we need to make sure that there are programs for low-income people, but we should also make sure that the middle income and the upper

middle income students are not squeezed out so that there are no programs available for them.

We need the NDSL Loan Program. We need the guaranteed student loan or the Stafford loan program. I think it is important they are funded adequately so qualified students that have a need, and that have also shown the ability to make passing grades in college, be able to benefit from these programs.

I have been a long-time advocate of all of these programs. I think they are very important for the future of our country. They are certainly very important in a State like mine, Mississippi, which has a number of low income students who could not go to a college or a university without the aid of grants, loans, and even scholarships.

I want to commend the committee for the work they have done and for moving this legislation early in the session.

I do want to express a couple of reservations. I hope my colleagues will not move in the direction of doing away with loan programs that are available to middle income or upper middle income students. They are the ones who really have the difficult time. The upper income students do not need the aid. For the lower income students some on the Budget Committee and other Senators in the past have suggested that we go strictly to grants without the loans. I believe that once you get a college education and get a job, you should pay back the financial assistance you received while in college. If you have that ability, you should do it. So let us not go to an all-grant program. That is one admonition for the future I hope members of the committee will keep in mind.

Second, let us not move toward making these entitlement programs. That would be costly, and it would take away discretion. I do think that income should be a consideration. I do think ability to make your grades should be a consideration. I think there are a variety of factors that should be considered. I just do not know if the American people can tolerate any more entitlement programs. So I hope we will not move toward that.

I understand that there is some thought of just doing away with the guaranteed student loans, or loans that go through the private sector banks, and go strictly to a direct loan from the Federal Government that would be collected by IRS. I support any approach that we can take to collect the loans that have been made. I think students should pay back what they owe so that it can be used again without contributing to the Federal deficit.

But to move to a system that cuts the private sector out I believe would be a big mistake. A lot of banks, and a lot of institutions are trying to do their part. They are working with

State governments, they are working with the Federal Government, they are working with the parents and the students. They want to be helpful, and that is a source of revenue that is out there from which the students can benefit. We ought to be sure they have the ability to tap into it.

I would like to address a question, if I could, to the distinguished ranking Member who is handling this legislation, the Senator from Kansas. I would like to ask, in the bill as we now have it before us, S. 1150, does it continue the guaranteed student loans and have a system for collection or have you changed it to where you would move only to the direct loans with an IRS recovery; is that presently in the bill?

Mrs. KASSEBAUM. No, it is not, I will say to the Senator from Mississippi. That is not in the bill. Senator PELL, the chairman of the Education Subcommittee and myself have been very reluctant to move in that direction. It has been under consideration and proposed by some Senators.

I think that there are those who really wonder if we can improve the process of lending in the guaranteed student loans. But it is a significant move and I think it should not be undertaken toward direct lending, for instance, without giving it very, very careful consideration, and a number of hearings, so we can better analyze what might work and might not work. So it is not in the bill. It may be an amendment to the bill but that is uncertain at this point.

Mr. LOTT. Let me inquire, would this go in the direction of the NDSL loan, the so-called direct loan now through the various financial institutions, or would this be a whole new system that would be set up?

Mrs. KASSEBAUM. I am not sure what the amendment is going to look like.

Mr. LOTT. There is no question we can probably improve the system. We always can do that. And I think there are some improvements that can be made in the GSL, and certainly in the way those loans are collected. But does the Senator not feel as a very experienced member of the education and labor committee that there is a pool of private capital out there that can be used and is available to students that might not be eligible under a direct loan?

Mrs. KASSEBAUM. It is being used, and of course those who like to go to direct lending will argue that there are savings to be made by eliminating the middle source. I personally think again, as I say, it needs very careful evaluation because it is a significant change. I think all of us would be willing to take a look at it within the right venue. Whether it is going to be proposed as some demonstration projects I am just not sure, but it is not addressed at all in the bill.

I also would like to answer the Senator from Mississippi on raising the question of the grant entitlements. That was in the bill, but Senator PELL, as chairman of the Education Subcommittee, withdrew that section in amending the bill when it was sent to the desk.

Mr. LOTT. So there is no provision in the bill that will do that in the immediate future or in 7 years, as I understand was originally included in the bill?

Mrs. KASSEBAUM. That is true in the bill, but it could come as separate pieces of legislation.

Mr. LOTT. I understand the other body has language in their legislation which would break the budget agreement, as a matter of fact, by making it applicable to the next year or two.

Mrs. KASSEBAUM. The Senator from Mississippi is correct. It is in the House bill, but they have not considered their bill yet on the floor.

Mr. LOTT. Mr. President, I thank the Senator very much for the response.

I would like to conclude, Mr. President, by saying this legislation is clearly one of an investment in the future of this country. The investment we make in higher education in America through financial aid programs is essential. I urge that we not make any major changes in the legislation we have before us. I think the committee has done a pretty good job and they have left out the entitlement program provision. I hope it will go forward as it is.

I yield the floor.

The PRESIDING OFFICER (Mr. LIEBERMAN). The distinguished Senator from South Carolina.

Mr. THURMOND. Mr. President, I am pleased to rise today to speak on S. 1150, the Higher Education Amendments of 1991. While there is no question about the increase in Federal participation in higher education, we must always keep in mind that under the Constitution, the primary responsibility for educating the citizens of this country rests with State and local governments. With our current Federal debt a \$3.8 trillion, and with yearly deficits that continue to rise, it is important to keep these responsibilities in perspective.

Turning to the legislation before us, I wish to commend the chairman and ranking member of the Labor and Human Resources Committee—Senator KENNEDY and Senator HATCH, and the chairman and ranking member of the Subcommittee on Education—Senator PELL and Senator KASSEBAUM, for their fine work and leadership on this bill. This bill is of great importance to parents, students, community colleges, technical schools, 4-year colleges and universities, and graduate schools all across the land. The 17 to 0 vote of the Labor and Human Resources Committee to report this bill is testimony of

their able leadership. Earlier this year, I had the privilege of chairing a field hearing in South Carolina and was able to hear firsthand about the key role of Pell grants, Stafford loans, and other student assistance programs. In addition, several college presidents testified about the special role Title III programs had played in strengthening their institutions.

On the whole, the changes to the Higher Education Act presented in this bill are good ones. I am pleased that included in the bill is a simplified financial aid needs test, numerous accountability and integrity provisions, and other sections aimed at lowering the default rates on student loans. I do, however, have concerns with a few provisions.

The first issue is the provision of a Pell grant entitlement. If we make the Pell grant an entitlement then it is automatically funded. Congress would not be able to make yearly determinations. Let me be clear, I support Pell grants. It is the entitlement I oppose. I understand, however, that the entitlement provision on Pell grants has been dropped, and I am pleased with that change. With a \$3.8 trillion Federal debt, and a projected fiscal year 1992 deficit of \$348 billion, additional entitlements are neither appropriate nor wise.

Second, sticking to a standard 4-year authorization period is preferable to the proposed 7-year one.

Third, I have long expressed my opposition to authorizing funding for the National Board for Professional Teaching Standards. The board is a private nonprofit organization that seeks to create and administer a system for setting high teaching standards. Professional standards are commendable. However, I am unaware of Federal funds being used to establish standards in other professions. I am concerned that Federal funding of the board could set a precedent for Federal funding of other private organizations with similar motives. Moreover, I am troubled by the prospect that such a move could lead this country to Federal control of teaching standards.

In closing, I look forward to the debate and consideration of amendments to this legislation.

I yield the floor, Mr. President.

The PRESIDING OFFICER. Who seeks recognition?

The Chair recognizes the Senator from Rhode Island.

Mr. PELL. Mr. President, once again I see no Senator seeking recognition. If it goes on this way, I would recommend to the majority leader that we have third reading.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.



The PRESIDING OFFICER. Without objection, it is so ordered.

# UNITED STATES SHOULD RECOGNIZE CROATIA AND SLOVENIA—NOW

Mr. HELMS. Mr. President, Yugoslavia no longer exists except in name only. In fact, as of this day, the United States of America is the only leading Western nation which has failed to recognize the independence of Croatia and Slovenia.

Earlier this week, the Russian Federation recognized Croatia and Slovenia. And as I stand here on the Senate floor, the independent nations of Croatia and Slovenia are participating in the Olympic games under their own flags. They are joined by the athletes of the now recognized and independent states of Lithuania, Latvia, and Estonia.

Yet, the road taken by these five nations to Albertville has not been an easy one. The Baltic nations have paid the price for their freedom with the blood and tears of martyrs. Over the past few years, they have had to fight every inch of the way for recognition and respect at a time when most Western nations hedged their bets and supported President Mikhail Gorbachev and his policy to preserve the repressive Soviet state. Unfortunately, the United States was the 37th nation—coming after Mongolia, if you can believe that—to recognize the democratic governments of Lithuania, Latvia, and Estonia.

Mr. President, I think it is safe to surmise that the Communist government in Serbia watched very closely the delayed reaction by the United States to the pleas of the Baltic governments. In the case of Lithuania, recognition came a full 18 months after the Lithuanian people elected a democratic government which asked us for recognition. No doubt the Communists in Serbia learned very clearly that the United States would not respond if similar attacks were made by a strong central government—in this case Serbia—against weaker and smaller, democratically elected governments, such as Croatia and Slovenia.

So, Mr. President, the Serbian authorities came pretty close to the truth, unfortunately. The United States naively thought that any rivalries between democracy and communism—and I emphasize that this is not as it is labeled by the media as “merely an ethnic fight” of Croats against Serbs—would work themselves out without U.S. intervention.

Well, I beg to differ, and I am, thankfully, not alone in my differing on that point. Forty-five other nations believe that disengagement is the wrong policy. Each of these 45 nations determined that Croatia and Slovenia respect the principles of self-determina-

tion, respect of borders, support of democracy, protection of human rights, and respect for international law.

Mr. President, I ask unanimous consent that a list of the 45 nations which have recognized Croatia and Slovenia be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. HELMS. I thank the Chair.

Mr. President, the policy of the United States must never, never again allow itself to be trapped in a cycle of working with central powers, as we did in the case of the former Soviet Union. We must never let that happen again.

The United States continued to work with the never democratically elected head of the Communist Party, Mr. Gorbachev, long after he was a political dead horse. We did not work with the democratically elected alternative—President Boris Yeltsin—until the hardliners' August coup attempt almost toppled any chance for representative government and freedom anywhere in the Soviet empire. Only then was President Yeltsin able to overcome his having been rejected by the West, to become, as we all know, the leader of an independent Russia. The result of the U.S. policy was almost catastrophic.

Mr. President, I do not think there is any question about my personal friendship for and with Secretary Baker and Deputy Secretary Larry Eagleburger. But I differ with them on the course of action on the part of the United States regarding the former Yugoslavia, just as I differed with them on their decision, first, not to recognize the Baltic States; and second, not to work with President Yeltsin.

Now is the time to stand up to the aggressor and to work with the victims. We can help advance the cause of peace and freedom in the center of Europe. Enough damage has been done to Croats and Slovenians, Serbians, Macedonians, and Albanians alike. All have suffered under Slobodan Milosevic of Serbia's reign of terror and hate.

Mr. President, I ask unanimous consent that the text of Patrick Glynn's articles, “Voices From a War Zone” in the Washington Post on December 29, 1991, and “Yugoblunder” in The New Republic on February 24, be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

Mr. HELMS. Mr. President, all is not lost; there is hope. The participation of Croatian and Slovenian athletes in the Olympics, for example, is a sign that peace and prosperity can and will come to their homelands. The participation of the Baltic States is proof that democracies can triumph over dictatorships.

The United States still has time to reverse our policy regarding what I call the former Yugoslavia. I urge the President of the United States to join with leaders of the rest of the world and recognize now the independence of Croatia and Slovenia and their democratic governments.

Mr. President, I thank you. I yield the floor.

## EXHIBIT 1

### FORTY-FIVE COUNTRIES RECOGNIZE REPUBLIC OF CROATIA

Albania, Argentina, Australia, Austria, Belgium, Bolivia, Brazil, Bulgaria, Canada, Chile, Czech-Slovak Federation, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Netherlands, New Zealand, Norway, Paraguay, Poland, Portugal, Romania, Russia, San Marino, Slovenia, Spain, Sweden, Turkey, Ukraine, Uruguay, United Kingdom, The Vatican, Venezuela.

As of February 18, 1992.

## EXHIBIT 2

[From the Washington Post, Dec. 29, 1991]

### VOICES FROM A WAR ZONE

(By Patrick Glynn)

ZAGREB, YUGOSLAVIA.—I've never been to a war before, and, to tell the truth, I am somewhat impatient to get there. I am speeding down the highway in a rented Volkswagen Golf—the Eastern European version—toward Osijek, a town in eastern Croatia under siege by the Yugoslav federal army. Thirty-six kilometers east of Osijek, the town of Vukovar has already fallen. Osijek is next on the list. Last night, the army stepped up shelling. Hundreds of civilians have been killed or injured over the past several weeks, and, as I discover later, of the 120,000 people in the town, all but 20,000 to 25,000 have left.

As we near Osijek, Ivanka, a 23-year-old volunteer from the University of Zagreb, my interpreter and guide, goes over the instructions. We are to drive into Osijek at top speed, to avoid shells. No seatbelts, in case we have to leave the car suddenly. Bags are to be close at hand. We will find a parking space along a wall near the square, grab our things and then dart the short distance to the underground shelter, which includes a press office manned by student volunteers.

The main street into Osijek is littered with demolished cars. We speed in at 100 kilometers an hour, past pockmarked walls, weaving in and out of the slower-moving Croatian army vehicles. As we arrive at the square and pull up on a sidewalk, Ivanka says to relax, the shelling is not so bad today. As I open the car door, I hear the not too distant rumble of a howitzer.

My experience in Osijek mirrors what the outside world knows about a war that pits the Yugoslav army, the Serbian Republic and allied Serbian insurgents against the breakaway republic of Croatia. I visit the hospital, apparently one of the main strategic targets. Repeatedly the hospital has been hit by artillery and rocket fire; it rumbles with a near-miss while I am there. Patients are housed in the cellar. Most are townspeople wounded by shells on their way to market or work.

The sense of abandonment is strong. The monitors from the European Community “come and take their pictures,” Dr. Kresimir Janosi, chief surgeon, says with bitterness. The monitors travel in groups of five and wear special white uniforms. The locals call them “the ice cream men.”

There is a story to be found in Osijek, but I am gradually convinced that the story may not be the war, which is dramatic and awful enough and which, God knows, should be stopped, but perhaps a more hopeful story about what this country could be like in peace, if this brutal war could somehow be ended.

The misleading image Americans have of the conflict is of Serbs and Croats engaged in an ancient blood feud, of primitive human beings in a dark corner of Europe still poised to slit each other's throats. Yet to a degree that most Americans do not imagine, Croatia is already a tolerant society, a sophisticated society, a European society. The people I meet in nearly a week of travel here—interviewing senior government officials, opposition members, Catholic and Jewish leaders, moderate opposition Serbs, soldiers, students and ordinary people—are well educated and self-assured, given to easy laughter. Zagreb actually seems to me more civilized than the ethnically divided city in which I grew up: Chicago.

Indeed, what strikes one most about Croatia today is the absence of personal rancor amid war. In Zagreb one does not find a tenth of the passion, for example, that gripped America during the Persian Gulf episode. The prevailing mood rather is one of sadness. Near Sisak, talking to a young Croatian army commander (in peacetime a primary school teacher), I discover that his wife, a Serb, has actually left him because of the war. Does he feel angry?

"I've got the feeling," he says, "that those people let me down. We didn't ask them what their nationality was. I am disappointed. But we'll give them the chance to live together once more, except for those who have done war crimes."

Yet world attitudes to this conflict are still shaped by outdated memories. Fifty years ago, repressive regimes in both Serbia and Croatia tortured and killed tens of thousands of Jews and other minorities. In Croatia, it was the Ustashe regime—a notorious fascist government. The memory of Ustashe hangs over Croatia, even though all traces of the evil of Ustashe—like the bygone evil of Nazi Germany, or Imperial Japan—appeared to have long ago faded from the scene.

One of the first people I seek out here is Nenad Porges, a Sephardic Jew and president of the Zagreb Jewish community. I know his name from an appeal he has issued to other Jewish communities around the world, calling for an end to the war. I find him in a modest office on a Zagreb side street, from which he runs a marketing research firm. A short man in his fifties, he chain smokes and speaks in rapid, but oddly precise, English. His grandparents were killed by the Ustashe regime, but he strongly supports the new independent Croatian state.

I tell him that in America the conflict here is understood in terms of 50 years ago. "That's bad," he says. "It's trite to stick to stereotypes that happened once upon a time, [to focus on] bloody happenings in Croatia and Serbia and to link them to today. Because today's Croatia is trying badly, based on very democratically held elections, to find its own path to democracy."

Porges is not uncritical of the current president, Franjo Tudjman, whose tactless remarks during an intensely nationalistic 1990 election campaign sometimes offended both Jews and Serbs. (Fighting for the majority Croatian vote and accused by minority right-wing forces of being insufficiently Croatian and having a Jewish or Serbian wife, Tudjman at one point burst out, "Thank

God, my wife is neither a Serb nor a Jew." He has never quite lived down this remark.)

But Porges and others—including educated Serbs—recognize a difference between Tudjman's lapse into crudeness in the heat of the moment and any actual tendency toward fascism. Curiously, Tudjman, who fought against the Ustashe with Tito's anti-fascist forces and was later jailed as a dissident under the Communist regime, is routinely portrayed in the outside world as a fascist and a hard-line Communist.

Mihailo Montillo, deputy foreign minister and another Sephardic Jew, expresses frustration at Croatia's poor reputation abroad. Conditions in Serbia for Jews during World War II, he stresses, were no different than in Croatia, and perhaps in some ways worse. His parents were killed by the Ustashe regime, but he was later saved by Croatian partisan forces. "There are good Serbs and bad Serbs," he says. "There are good Croats and bad Croats. The truth is there are even good Jews and bad Jews."

What of the Serbs? Only a third of the Serbs—who constitute in total 12 percent of Croatia's population—are in contested regions. In the big cities and even in many of the rural towns there is already a model for effective coexistence. I found an example of this in Sisak, a town on the front lines, where the vice president of the town council is a Serb, as he explains proudly, freely elected from a dominantly Croat district.

In Zagreb, I interviewed Natasa Desnica-Zerjavic, a professor at Zagreb University and a leader of Serbian Democratic Forum, the moderate opposition. By coincidence, my guide to Osijek was Desnica's pupil. I ask Ivanka to help interpret during an intense session, with Desnica passionately defending the feelings of the Serbs, while condemning the war's violence. Yet while I am briefly out of the room, she confides to Ivanka, a Croatian, that while she hopes she is being fair, there were several points at which her husband, a Croat, would have vociferously disagreed.

Serbs say they are haunted by memories of the Ustashe. But also they stood to lose the most—materially, occupationally—when communism yielded to democracy. In Croatia, the minority Serbs were the ruling class, holding 65 percent of police and 95 percent of Communist Party positions. The process of de-communization was destined to fall disproportionately on Serbs.

That was why Belgrade found it easy to incite many rural Serbs to rebellion after the Croatian elections. For Belgrade, the war has the role of preserving the privileges of the Yugoslav army (e.g., villas on the Croatian Adriatic coast) and keeping the present hardline Serbian leader, Slobodan Milosevic, in power.

American policy toward Yugoslavia, meanwhile has been marked by many of the same conceptual errors that hindered our performance during the Cold War—including a tendency to posit "moral equivalence" between the two sides, equating the democratic Zagreb government with the communist-nationalist Belgrade one.

Even as Croatia and its sister republic Slovenia edged toward democracy and independence in 1990, the State Department unwisely insisted on the primacy of the "territorial integrity" of Yugoslavia, inadvertently emboldening Belgrade to war in the name of Yugoslav unity. Last week, Germany finally broke with the United States, recognizing Croatia and Slovenia. U.S. officials argue that such recognition will escalate the conflict, but with war already raging and a third

of Croatian territory under occupation, the missing component in Western policy has clearly been effective pressure on the Belgrade government.

Remarkably, a solution does not seem out of reach, at least in Croatia. Indeed, those Croatian officials I met bent over backwards to indicate their flexibility and willingness to talk.

"Croatia is ready to be a quiet, middle-European country," says Croatian Vice President Mate Granic. Croatian officials want U.N. peacekeeping troops and say they will accept virtually any form of international monitoring to help assure the rights of Serbs in contested areas.

Two things still need to happen. First, the United States must recognize that the struggle in Yugoslavia today is a war between budding democracies and an authoritarian state. Second, something must be done to counteract Belgrade's military power, or the conflict is likely to drag on. The ineffectuality of EC "ice cream men" can be explained largely by their lack of military punch.

Croatian government officials float the idea of NATO or the U.N. acting simply to close Yugoslavia air space to aircraft—an almost trivial task for combined Western air forces, one would suspect. Europeans could conduct the brunt of such operations, with the United States supplying chiefly AWACs reconnaissance aircraft. Interestingly, moderate Serbs like Serbian Democratic Forum President Milorad Pupovac would welcome Western military intervention, even to the point of introducing troops. "I think we need not just a peacekeeping force, but a peace-making force," he told me.

Does America have a sufficient stake to justify participation in such an operation? One should not take lightly the prospect of sending fellow citizens into battle. However, risks to Americans from such air operations, especially with Europeans carrying the brunt, would be minimal. The price for not acting, meanwhile, is likely to be years of instability near the heart of Europe.

At the hospital in Osijek I was shown a long cellar room lined with empty hospital beds, stretching as far as the eye could see—preparations for the evacuation of Vukovar, which actually proceeded by an alternative route. When I returned to the press center, one of the student volunteers was smiling. "You have been to hospital?" he said. "Then you have seen the beds waiting to take us away."

[From the New Republic, February 24, 1992]

YUGOBLUNDER

(By Patrick Glynn)

For months after Secretary of State James Baker's fateful visit to Belgrade in June 1991, observers debated whether the American secretary had inadvertently contributed to civil war in Yugoslavia by throwing his weight behind Yugoslavian "unity" at the very moment when the republics of Slovenia and Croatia were preparing to secede. Since then the mischievous consequences of U.S. policy toward Yugoslavia have so multiplied that the fuss over Baker's trip seems dwarfed by other disasters. In December Germany publicly broke with the United States, announcing recognition of Slovenia and Croatia. In January the EC followed. What began as a gruesome civil war has expanded into a crisis in U.S.-European relations, with major implications for the post-cold war balance of power. At last count thirty-nine nations—including Canada—have recognized the republics. The United States, still resisting recognition, remains isolated, its relations with



Germany damaged, its influence and prestige in Europe clearly diminished.

U.S. policy-makers were quick to blame the Germans. In early January *The New York Times* described State officials "below the level of James A. Baker 3rd"—widely assumed to be Deputy Secretary of State Lawrence Eagleburger, the State Department's lead man on U.S. policy toward Yugoslavia—as beginning to "win" at German assertiveness. But the effect of such self-exculpating statements was only to aggravate an already bad situation, increasing rancor with Bonn, hastening the loss of American influence in Europe.

What went wrong? U.S. handling of the Yugoslav crisis is in fact a case study in how not to conduct foreign policy in the post-cold war world, combining lack of intellectual rigor and carelessness with what Senator Al Gore has termed "moral obtuseness" about the conflicts and issues at stake. It epitomizes the essential superficiality of the administration's approach to foreign affairs.

Even now administration officials remain unrepentant. When I requested interviews for this story at the office of Eagleburger aide Kenneth Juster, public affairs director Joseph Snyder, to whom I was referred, told me after two days that State officials at the "highest levels," including Eagleburger's office, had determined that "nobody in the building" would talk on the subject. The reason given was the "murky" situation, in which officials' comments would be "overtaken by events." (The likelier explanation was an article critical of U.S. policy on Yugoslavia that I had written the previous week for *The Washington Post*.)

The main factor in the Bush administration's mishandling of Yugoslavia was its devotion to geopolitical "stability" at the expense of democratic values and human rights. U.S. policy toward Yugoslavia paralleled and was subordinated to U.S. policy toward the Soviet Union. In both cases the administration sought to prop up a declining Communist central government at the expense of democratically minded republics. In the USSR it was Gorbachev; in Yugoslavia it was the reform minded Prime Minister Ante Markovic. In both cases the effort failed. But while in the Soviet instance it failed peacefully, in Yugoslavia U.S. policy may have contributed to a violent civil war. The errors were reinforced by clientism on the part of State's Belgrade-orientated Yugoslav hand—and possibly, in Eagleburger's case, by a history of personal financial dealings with firms owned by Yugoslavia's Communist government. (See "Lawrence of Serbia," page 16.)

What was occurring during 1989 and 1990 in Yugoslavia was an uneven shift to democracy. In the spring of 1990 both Slovenia and Croatia elected non-Communist governments in internationally monitored free elections. Both adopted democratic constitutions. Slovenia, the most prosperous and ethnically homogeneous of the six Yugoslav republics, was also the most eager for independence. The Croatian situation was more complex, given the presence of a 12 percent Serb population and memories of brutal mass murders of Serbs and other minorities under a fascist puppet regime during World War II.

But if Croatia's human rights situation was problematic, human rights problems in Serbia were clear-cut and acute. Since 1987 Serbia had been ruled by a hard-line Communist, Slobodan Milosevic, who increasingly based his appeal on fiercely nationalist themes. Under Milosevic, Serbia had perpetrated extreme abuses in the dominantly Albanian province of Kosovo—shooting and

jailing protesters, torturing prisoners, firing ethnic Albanians from jobs and invading their homes. Moreover, in sharp contrast to elections in Slovenia and Croatia, Serbia's December 1990 elections were neither free nor fair. Restrictions on freedom of expression, unmonitored army voting, and a scheme whereby Serbian banks were ordered to print almost \$2 billion in Yugoslav currency to be distributed to employees of state-owned enterprises prior to the election helped ensure victory for Milosevic and his nationalist neo-Communists.

By 1990 communism in Yugoslavia was ceding to nationalism, but in uneven fashion. In Slovenia and Croatia, nationalism had assumed an imperfect democratic tinge, while in Serbia it remained married to hard-line Leninism. The State Department's crucial failure was to miss the importance of this distinction. Even as Slovenia and Croatia edged toward democracy and the Serbian human rights record worsened, the United States strove to maintain an artificially evenhanded policy. "We have never been admirers of Communist ideology," U.S. ambassador to Yugoslavia Warren Zimmermann told the Serbian newspaper *Borba* in March 1991. "However, we think that every people, the Yugoslav people included, have a right to the system they choose themselves and to the people they elect. We respect that right, and if they choose communism and the Communists, we are prepared to deal with their leadership."

Back home in Washington, State officials resisted efforts by legislators to change policy. Human rights problems in Yugoslavia, a senior congressional aide was told by high level State Department officials, "are the results of ethnic tensions \* \* \*. Don't make a big deal about them. The Serbs are trying to hold the country together \* \* \*. Don't break up [Yugoslavia] because the Soviet Union will use it as a model. If the Soviet Union breaks up, [the consequences] could be nuclear."

In part, however, policy was also dictated by a flawed conception of how violence in Yugoslavia might originate. Eagleburger warned legislators of deep historical ethnic hatreds in Yugoslavia, arguing that unity was the key to ethnic peace. What he and others failed to see was the difference between democratic and undemocratic nationalism. When violence arose in Yugoslavia, it would come not from the newly democratic republics but rather from the republic—Serbia—where Communist authoritarian forces held sway. The key issue was not ethnic tension but the willingness to employ violent methods.

Eagleburger's approach is best seen as part of the Bush administration's broad return to Kissingerian ideas of stability, where stability—in contrast to Reagan's approach—would be given clear priority over human rights. (Eagleburger was a former Kissinger aide.) Throughout 1990 and 1991 Eagleburger consistently opposed measures that might undercut Yugoslavian unity—or penalize the Serbian republic. Following a high-level congressional trip to Yugoslavia in August 1990, in which visiting senators, headed by Republican leader Bob Dole, were shocked to witness firsthand a crackdown by Serbian police on ethnic Albanians, Senator Don Nickles introduced legislation designed to redirect U.S. aid away from the Yugoslav central government, which had no power to curb Serbian abuses, and toward individual republics, based on criteria of free elections and human rights. State resisted, pleading for Yugoslav unity, and found an ally in Rep-

resentative Helen Bentley, of Serbian parentage and a tireless defender of Serbian interests. Bentley joined in the House-Senate negotiations on the Nickles amendment, even though she did not belong to the relevant committee. "She camped out in the committee room reading a book called *The Rape of Serbia*," a congressional aide recalls. Nickles and Bentley were able to strike a compromise—a provision for six-month delay—that permitted the amendment to pass. Bentley was the only individual I interviewed who expressed complete satisfaction with U.S. policy. Even Representative Jim Moody, who also has strong Serbian sympathies, regretted that the United States hadn't played a more active role as a broker between the parties.

In theory, the Nickles amendment provided a new policy framework, anchored more closely to democracy and human rights. Human rights groups such as Helsinki Watch had urged just such an approach. The point was not just to penalize Serbia, which was committing the grossest abuses, but to increase leverage with Croatia, where the human rights picture was still unclear. Croatia's 1990 elections had been highly nationalistic in tone. Traveling in dominantly Serb regions of Croatia in 1990, Helsinki Watch executive director Jeri Laber says she found "genuine fear" among Serbs of a possible resurgence of World War II persecution and genocide. Labor and others point out that Milosevic deliberately stirred and manipulated such fears—some argue in preparation for a coming war. Moreover, Croatia's President Franjo Tudjman attempted (somewhat unsuccessfully) to respond to Serb complaints in what the U.S. Consul in Zagreb described in an August 1990 cable as "sound and judicious" fashion. Tudjman offered the head of the minority Serbian Democratic Party the vice presidency but was turned down. Eager for an international presence and receptive to human rights monitoring, Croatia has shown a willingness to meet EC demands. Many now agree a more visible U.S. presence in Croatia and Serbia, backed by the threat of sanctions, might have done much both to reassure Serbs in Croatia and to deter the Serbian republic from violent intervention.

In May 1991 the Nickles sanctions were imposed, and aid was cut to the Yugoslav central government and Serbia. However, a mere twenty days later President Bush waived the sanctions after a phone call with Markovic, the Yugoslav "Gorbachev." But by now Markovic's authority had been completely undercut by Milosevic, whose December money-printing scandal had destroyed the convertibility of the dinar and with it the Markovic economic reforms. Moreover, nine days earlier Serbia had blocked the scheduled assumption of Yugoslavia's collective presidency by Stipe Mesic, a Croat, destroying any pretense of a neutral federation.

During the winter of 1990-91, State continued to resist measures to treat the republics differently or to link U.S. aid to human rights. In January 1991 Dole introduced legislation calling for aid to republics in both Yugoslavia and the Soviet Union, based on democratic and human rights criteria. State opposed the measure. Throughout 1991—as militant Serbs in Croatia, stirred by Milosevic, mounted armed rebellion, eventually declaring a small independent state—Serbia resisted efforts by Slovenia and Croatia to negotiate a looser Yugoslavia confederation. State advocated standing aside. In May Croats voted overwhelmingly for

independence in a referendum, following a similar vote by the Slovenes. In June Baker traveled to Belgrade and gave his speech emphasizing U.S. interest in the "territorial integrity" of Yugoslavia. "I believe [Baker's speech] suggested to the Serbs—to Milosevic—that we were going to support extreme things to keep the country together," says Yugoslav expert Steven Burg of Brandeis University. Even after the declaration of independence by Slovenia and Croatia, White House spokesman Marlin Fitzwater condemned "unilateral actions that pre-empt dialogue," arguing that "separation will lead to violence," implicitly blaming Slovenia and Croatia for the war that Serbia and the Yugoslav army were about to start.

As late as October 1991, with war raging and thousands of Croatian civilians fleeing their homes, State testified against legislation introduced by Senator Alfonse D'Amato (another veteran of the Dole trip to Kosovo) calling for a cutoff of aid to and sanctions against Serbia.

From the beginning of the war, Germany and Austria leaned toward recognition of Croatia and Slovenia as the best solution. The United States, following U.N. special envoy Cyrus Vance, argued rather that recognition would only escalate the war. As late as mid-December Earleburger told the mayors of the besieged Croatian towns of Dubrovnik and Osijek that recognition would only lead to expansion of the to expansion of the war into Bosnia and Herzegovina and Macedonia.

Instead, the German decision to recognize the two republics, coming in December and January, brought the first enduring ceasefire. With Yugoslav army desertions growing, the Serbian economy flagging, and the war increasing unpopular at home, Serbia's Milosevic now appeared ready to talk. As is not uncommon in dealing with a dictator, pressure had worked. The situation was far from resolved, but for the first time in fifteen cease-fires, the Croatian countryside was mostly quiet. One only wonders now what a different policy pursued earlier in the game might have done. "If we had summoned the moral courage to act," says Gore, "we could have saved thousands of lives."

In the end the Yugoslav crisis did more than create two new states: it marked the re-emergence of Germany as a great power. It was an ironic reversal of roles. Throughout the 1980s, when the United States pursued tough tactics against Communist leaders, based on a commitment to democratic principles, West Germany steered a more neutral middle path between East and West based on realpolitik. Now the Germans were acting from principle against a dictator while the United States cultivated realpolitik. It was a measure of the fundamental difference between the Bush and the Reagan foreign policies. It was also a measure of the declining power of the United States. One of the great lessons of the 1980s was that those countries fared best in the global power struggle that stood firmly for their principles. In the 1990s, returning to Kissingerian ideas of stability, the United States eschewed such a course. The result was not merely a botched opportunity and an unnecessary loss of lives, but an absolute loss of international power for the United States.

Mr. HELMS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. DURENBERGER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### HIGHER EDUCATION AMENDMENTS OF 1991

The Senate continued with the consideration of the bill.

Mr. DURENBERGER. Mr. President, I rise as we begin this debate on the higher education amendments of 1992 principally to commend my distinguished colleagues who have put this bill together over the last 2 years: The chairman and ranking members of the Senate Labor Committee and its Subcommittee on Education.

We have our differences on several important issues raised by the legislation. But drafting this bill and bringing it to the floor has been a uniquely bipartisan endeavor. We are all indebted to our colleagues for the hours and hours of hard work that has brought us to this point today.

I also rise to reflect briefly on the significance of what we are doing in this legislation, and to State my own priorities for several additional improvements I would like to see made in this bill before it leaves the Chamber.

As I stated many times before, I entered this debate with some deep-seated biases—as one who grew up in the higher education community, as the son of two teachers, as the parent of four sons who are either now in or recently graduated from a college, as a private college trustee, as a member of the committee that drafted the bill, and as a Senator from the State that cares more about education than it does about any other public service.

That interest is reflected in the very thoughtful input on this legislation that I have received from thousands of Minnesotans over the past 15 months.

In hearings, forums, letters, and meetings all over the State, I have heard from both the consumers and providers of higher education in my State. All of the additional contributions I would like to make in this legislation come from the Minnesotans that I represent.

This is a highly complex subject as our chairmen and ranking members know so well. They have produced a 600-page bill that does everything from expanding library technology grants to improving the quality of teacher training.

Of course, the complex subject of student financial aid is at the very core of this legislation. And, I do not think any one of us would claim to be an expert in all the nuances of the cost of attendance or expected family contribution or congressional needs analysis or many of the details and fine print crammed into the 600-page bill we have before us.

What I do know is that this legislation represents two important realities.

First, it has never before been more important to get a high quality college education in America. Our incomes as individuals are measurably higher if we do. And, our productivity and output as a nation are absolutely dependent on the quality of education we all receive.

And, second, Mr. President, it has never before been more evident that Americans—especially middle-income Americans—are deeply worried that their children will not be able to afford the same level and quality of education that many of us received, just one generation ago.

There has been a lot of talk this week, in this Chamber and in this town, about messages being sent and received all across America.

One of those messages, Mr. President, is a deep-seated fear that college is again in danger of becoming the sole province of the totally subsidized poor and those few wealthy Americans who need no subsidies at all.

Just 2 months ago, a new national survey found the rising cost of higher education to be the third greatest fear of American families, behind only crime and drugs, and ahead of health care.

We are doing a number of things in this legislation to help address that fear.

We need to, and are, increasing the maximum size and income eligibility limits for Pell grants.

We need to—and are—increasing the maximum loan limits for the Stafford Program, and for other federally guaranteed student programs authorized by this legislation. We need to—and we are—strengthening specially targeted programs aimed at low-income, at-risk, and minority students.

I support all of these improvements in the legislation, and I wish fiscal realities would allow us to do more.

At the same time, I realize there are strong differences of opinion on whether access to the Pell Program should be guaranteed through an entitlement. I have mixed feelings on that subject myself.

But no one in this Chamber can deny the need to place a higher priority on financing access to higher education for those who have suffered most from its rising cost.

I also appreciate the efforts of the managers of this legislation to improve the Stafford and other guaranteed student loan programs that are at the core of our Nation's commitment to access to higher education. I especially appreciate the efforts to make the current loan programs simpler, easier to administer, and less likely to result in default.

Having pointed out all of those positive features of this legislation, Mr. President—many of the improvements



in it came from suggestions from Minnesotans and, particularly, financial aid officers at our colleges and universities—I still must admit that I am disappointed that we are facing a 21st century set of problems with a 1960's and 1970's set of student loan programs.

That is why, during the course of this debate, I hope to join with the chairman of the committee, with my distinguished colleagues from Illinois and New Jersey, and, I hope, with others on both sides of the aisle to propose an amendment offering a new and a better idea for paying for college.

I also hope to use this debate to argue for greater incentives and rewards for academic excellence—especially on the part of lower income students—through a merit-based bonus for Pell grant recipients.

I want to use this debate to ensure that the rising cost of medical school—and the loss of interest deferment for medical residents—does not discourage medical students from a career in family practice or rural medicine.

I want to use this debate to make sure Federal policy continues to support the use of new telecommunications and computer learning technologies in higher education.

I want to use this debate to make sure Federal policy encourages growing private-sector support for scholarships, especially through community-based initiatives like the Dollars for Scholars Program based in my own State of Minnesota.

And, finally, Mr. President, I want to use this debate to argue for much greater attention to quality, outcomes, and accountability in higher education.

We can—and we must—be placing a higher priority as a Nation on assuring broad and equal access to colleges and to other forms of higher education.

But, we must also pay much more attention to what we get from a college education—as customers and consumers of a product that must be of ever-increasing quality and ever higher value.

Thank you, Mr. President. I yield the floor.

Mr. JEFFORDS addressed the Chair. The PRESIDING OFFICER. The Senator from Vermont is recognized.

Mr. JEFFORDS. Mr. President, I rise in strong support of the bill that we have before us today. As we all know, we are taking up the reauthorization bill for higher education.

We are doing so at a unique time in our history. I do not need to elaborate on the dramatic changes that have occurred in the world. Nor will I take my colleagues' time in delineating our economic woes. The recession and our budget mess remind us each day of our need for restructuring our finances.

On the other hand, this is probably the first time in half a century that we are looking toward a future free from the threat of global war. Today we are

considering a bill which could move us on a path to take fuller advantages of the opportunities before us. Yes, we must consider the budget straitjacket we have placed ourselves in, but we will only cinch that straitjacket tighter if we ignore the fundamental needs of our country.

Postsecondary education is critical to our future. If we do not want to compete with the rest of the world on wages, then we will have to do so on the basis of ingenuity. We must take measures to maximize the opportunities a better educated work force will bring.

At the same time, we must be careful that we do not move so fast that we lock ourselves into directions which aggravate our current problems, which would overburden our students and restrict access to our schools.

I use the term postsecondary in lieu of higher education because the latter term has connotations which do not reflect the present and future needs for broader education of the skilled work force needed to meet the challenges of the future. We have to modify our secondary education to provide the necessary skills as well. In addition, we have to adequately fund programs of postsecondary education to make the necessary training available. This is vital to provide the skills necessary to meet the challenges of modern technologies, and to meet the challenges being provided by our international competitors.

I want to commend subcommittee Chairman PELL and Senator KASSEBAUM for their diligent efforts to reauthorize one of education's most significant pieces of legislation.

The bill before us provides the loans and grants which enable thousands of students to attend institutions of postsecondary education. It is an important foundation of this country's education system.

As we continue to look toward the future, the need for trained, efficient employees who can learn, grow and perform on the job is vital to our economic prosperity. Providing quality education to those who have traditionally been disadvantaged will continue to be a priority.

But, we all know that acquiring an education costs money. Many of our disadvantaged students cannot afford the price of postsecondary education. To get the money to go to school means getting the jobs that pay more. To get the jobs that pay more, means acquiring an advanced degree.

I had hoped that this bill would have included a Pell grant entitlement, unfortunately it does not. However, I would like to say that I do recommend that at the nearest time possible we do make it an entitlement. I understand the concerns raised about the fraud, and I understand the reasons against creating a new entitlement program.

But, I also understand that if we look 10 years down the road we will see that we cannot afford not to make Pell grants an entitlement. This country cannot afford to have a shortage of people adequately trained to master the kind of jobs that will be available and are necessary to remain competitive in the world markets. However, if we do not provide enough grant assistance we will doom ourselves to failure. This country cannot afford to turn its back on the indigent—again. The Pell grant entitlement is a necessary and important step to students and to this Nation.

The bill does increase assistance to the middle-income students. Increases in Pell grants frees up critically needed loans to our middle-income families. Home and farm assets up to certain income levels are removed from consideration and loan limits are increased.

I am pleased that the committee accepted my amendment to increase loan limits even further. I offered this amendment to close the gap between available Federal funds and the cost of tuition and college expenses. No one in this body wishes to increase loan indebtedness, but better to have needy students borrow a federally subsidized loan than a loan on the outside market.

I am further pleased by the inclusion of my early intervention proposal. It has become clear from experience and research that at-risk students who do not receive some form of counseling or support in their developmental years are likely to drop out of school and not pursue further educational opportunities. The proposal in this bill will increase awareness and provide emotional and financial support to help students stay in the educational pipeline. An important element if this country hopes to produce a well-educated, well-trained future work force.

Title VII of the bill provides a new formula for facilities funding. Studies indicate that there exists a \$60 billion need in infrastructure, future construction, and renovation. The tragic state of our university science facilities attests to the growing need for funds to rebuild our Nation's basic science infrastructure. A survey of private colleges and universities shows that only 10 percent of these institutions rated their science facilities as state of the art while more than 40 percent of the institutions rated their facilities as inadequate to meet their current teaching and research needs.

The problem is particularly acute in small colleges that do not have large outside funding resources. I hope that we will see a renewed investment in facilities financing and funding so that our academic facilities be as up to date as possible to educate and train tomorrow's scientists and engineers. This program is crucial, not only to our universities and colleges, but to the com-

petitive nature of our Nation as a whole.

I am further pleased to note the increased State oversight in the program integrity section of the bill. Recent reports of fraud and abuse have focused attention on how to improve the regulatory structure in order to assure the integrity of the student aid program. The provisions placed in the bill increase assurances of integrity without undue State oversight or intrusion.

While this bill does a good job of addressing the present higher education system particularly student financial assistant programs. I also continue to believe that we must take a long-term, strategic look at the future of our higher education system. What, if any, structural changes need to be made in the current division of responsibilities for financing postsecondary education? Evaluation of the economic, demographic, educational, and institutional information of the current and projected responsibilities for financing higher education is a must.

It is this long-term view of higher education financing that the Commission on Financing Postsecondary Education which was included in the 1986 reauthorization of the Higher Education Act is charged to examine.

Why is a long-term view of restructuring postsecondary financial education needed? In large part, to assess the possibility of different financial aid models. Take, for example, proposals to move Federal financial assistance from the public/private sector to the public sector alone. It essentially creating a direct lending program. Such proposals claim to save \$1 to \$2 billion a year.

Tempting as this sounds, there remain unanswered questions. How would the Department of Education administer such a program? Where would the Federal Government come up with the money to fund a \$50 billion program? How do we transit into the program and what effects will it have on students, families and institutions? These are just a few of the questions that, in my mind, have not been answered yet.

In light of the ongoing studies and dearth of information, let us move cautiously on new initiatives at this particular time and yet at the same time be sure we recognize we must do more in order to improve the availability of funding for our students in order to make all education, postsecondary education, available to those who need financial assistance as well that are qualified and appropriate to take such education.

Mr. President, I am very pleased to be in support of this bill. We have much more to do. And as time unfolds, I am hopeful that we will have opportunities, when the budgetary straitjacket we placed on ourselves is released, to revisit such issues as the Pell grant entitlement.

Mr. President, I ask unanimous consent to print in the RECORD a factsheet on financing postsecondary education provided by the National Commission on Responsibilities for Financing Postsecondary Education.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

#### FACT SHEET: FINANCING POSTSECONDARY EDUCATION

Has higher education become unaffordable in this country?

Increasingly, the answer is yes. Fewer Americans are able to afford a postsecondary education because the burden of paying these costs has shifted, in the last decade, from governments and institutions to individuals and families. These conditions are the results of many factors, including Federal and state deficits and a shift towards greater reliance on borrowing. In addition, tuition and living costs continue to soar at far faster rates than incomes.

Does this affect middle-income Americans as well as the poor, disadvantaged and minorities?

All these groups are critically affected. Middle-income students are particularly hurt by the increased dependence on borrowing. Low-income and minority students and their families have been especially hard-hit by higher tuition costs with less aid available.

Are we facing a crisis as fewer Americans are able to gain a postsecondary education?

Current trends suggest that we are. Economists forecast that our labor force in the 21st Century will need to be far better educated. With fewer Americans earning postsecondary degrees in the future, the consequences will be bleak, affecting:

The quality of our workforce (with increasingly technical, skill-oriented needs); economic stability; international competitiveness; the education of our electorate; national security; medical and scientific advances; and quality of life.

What is our national response to this crisis?

Congress has created a commission to examine the nation's long-term financing needs for higher education: The National Commission on Responsibilities for Financing Postsecondary Education.

What is the goal of the National Commission on Responsibilities for Financing Postsecondary Education?

Its two-year mission is to study and produce recommendations to Congress and the President on the long-term restructuring of the current system and operations of financing higher education. Who is paying for higher education? Who benefits? Who should be responsible for financing postsecondary education? At what level? These are some of the questions to be answered.

An examination of long-term, comprehensive restructuring is needed because national and statewide systems for financial aid have failed to adapt to changes like increases in the number of low income students and single-parent families, and to our increasingly service-oriented, technological society. Also, many funding formulas that define student aid needs are obsolete, and state investments have begun to decline.

What is the Commission doing to meet these goals?

Five regional open hearings nationwide, Washington-based seminars, Educational research teams active at three universities, Issue papers by staff and Commission mem-

bers, National conference in Washington, D.C. in June, 1992. Report and recommendations to Congress, 1993.

Because the Commission is concerned with higher educational opportunities for all Americans, it is holding five public, regional hearings nationwide, inviting testimony from experts, students and the public. Issue papers are being written by staff and Commission members, whole educational research teams from three universities study the proposals and issues developed at each hearing. Washington-based seminars also will be conducted beginning in early 1992.

The national hearing in June 1992 will help Commission members develop final recommendations to Congress, which are due in early 1993.

#### What Solutions Are Being Proposed?

A variety of suggestions have been made to the Commission. These include new approaches to student loans, national postsecondary trust funds, redesigned financing formulas for public institutions, national service, and incentives for private sector and philanthropic participation in postsecondary financing. These and other solutions are being explored and evaluated by the Commission in order to construct a comprehensive, inclusive strategy for meeting national needs.

#### COMMISSIONERS

Senator Paula Harkins, Chairman, Winter Park, FL.

Thomas A. Butts, Associate Vice President for Government Relations, University of Michigan, Washington, DC.

Charles J. Cooper, Esq., Attorney, Washington, DC.

Dr. William Cotter, President, Colby College, Waterville, ME.

Curtis M. Dunbar, Director, Secondary Curriculum, Union Country Schools, Union, SC.

Lawrence M. Jones, Chairman/CEO, The Coleman Company, Wichita, KS.

Dr. Leslie Koltai, Graduate School of Education, University of California, LA, Los Angeles, CA.

Peter M. Leslie, Businessman, Cape Elizabeth, ME.

R. Marshall Witten, Esq., Attorney, Bennington, VT.

Jamie P. Morisotis, Executive Director, Washington, DC.

Mr. JEFFORDS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. HATFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HATFIELD. Mr. President, I rise today to give my heartfelt support for S. 1150, the Higher Education Amendments of 1991.

Mr. President, first, I want to acknowledge the leadership that has brought this bill to the floor and, hopefully, through the legislative process to the White House for signature. Senator PELL's name has been associated for so many years with not only assistance to students, now the Pell Grant Program, but certainly as well through many other aspects and commitments of education related to the Federal Govern-



ment. Senator NANCY KASSEBAUM of Kansas, who represents the minority side of the committee, working in tandem with Senator PELL, is also known for her long-time support and her commitment to education, not just higher education, but elementary, secondary education, and special education. I, as a former educator, can assure you that there are few endeavors in this world that I consider more fundamental to the making of a human being than challenging and strengthening the intellect.

The mind, the United Negro College Fund reminds us, is a terrible thing to waste, a waste which no individual should be forced to accept and a waste no one in the Nation can afford as well.

Mr. President, an enthusiastic student is truly a national treasure, and each teacher, or parent for that matter, understands the gratification one feels when answering the questions of an interested and curious young person. To deny eager students the opportunity to pursue their academic careers to the level that their determination and their drive will carry them would be a grave injustice.

The value of higher education both to an individual and to a nation is too great to quantify.

This afternoon Senator BYRD, the chairman of the Appropriations Committee, and I, as the ranking Republican member, held one of our series of hearings on the general economic situation facing the Nation today. And we had two very extraordinary witnesses, Dr. Herbert Stein, who was a former Chairman of the Council of Economic Advisers to a Republican President, and Dr. Charles Schultze, who was a former Chairman of the Council of Economic Advisers to a Democratic President.

Very frankly, there was little distinction between their prognostications and this analysis, because I think the economic circumstance of the day really is becoming more and more clear to all people regardless of their identification of party label or their political-economic philosophy.

An interesting point made by both of these economists today was the need for long-term investment in this country, long-term investments that would increase productivity, that would increase and enhance the ability of the students coming out of our schools to find a niche in the workplace. And here these economists that you would expect perhaps to concentrate perhaps on the matter of economic philosophy, or economic programs, or economic steps to be taken, were in a sense saying education is a key to the economic future of this country; two very distinguished economists.

So I would suggest that S. 1150 is perhaps the best investment opportunity this body will have in this session; long-term investment.

Our national defense depends on a well-educated population. The very foundation of democratic government depends upon a well-educated electorate. While this bill may not equal the Department of Defense budget in dollars, it provides even greater national security by maintaining access to higher education. To me this is our national defense initiative of the year.

I commend my colleagues again on the Labor Committee—and there are many besides the two leaders that I have acknowledged, and I see my colleagues on the floor today: Senator JIM JEFFORDS of Vermont, Senator TED KENNEDY of Massachusetts, two other members of the committee—and all the other members who together collectively brought us this bill today.

Mr. President, the political climate in our country today is much different than it was when this act was first passed in 1965. Our belts are pulled much tighter than they were during the Great Society days. At a time when dollars are few, people may ask how on Earth can we afford to spend even more money on education. Mr. President, the answer is, of course, we cannot afford to do less.

People across the Nation are suggesting what they believe to be the most important steps our Government can take to help keep our country afloat during this recession—cut the capital gains, push to open trade barriers, bring economic relief to the middle class. All of these may be very valuable measures and could be helpful perhaps in the short term. But today again I emphasize we must think in the long term.

I indicated today in our hearing that it was the most important hearing in my view that we have had this session by the Appropriations Committee because the chairman, Senator BYRD, posed the question to these economists. What do you suggest we do today? Then he said, now wait a minute. Let us assume that perhaps we are in 1997, and with the economic conditions of today having their full payout by 1997 . . . what—if in 1997 you were sitting here—is there that you wished you had told us in 1992 that you did not tell us?

I considered it important for the simple reason that Senator BYRD was asking these economists to advise the Appropriations Committee on what we should do today for the long term, not just what should we do today to get over to the next fiscal year.

I must say to you during the tenure of my chairmanship, as well as the chairmanship before and since, our appropriations process has most always been geared to how do we get over to the next fiscal year. How do we get beyond the problems of this year and postpone, or delay, or project it, or whatever, into the next year?

But today, the chairman of the committee and the colloquy that we all en-

gaged in by this triggering, we began to think 1997, 1998, 1999, the year 2000. And for the people who think 2000 is 100 years away, let me remind you, it is only 8 years away—a little more than a single term of a Senator. So put it in any framework of time, and it is upon us.

So I urge that we look at this as long-term investment. The dollars should not deter us from the support of this bill. Long-term thinking does not come easily in an election year either. It is not only a problem with the Appropriations Committee to try to find a way to get through to the next fiscal year. We also now have this compounded as a sort of a constriction on long-term thinking because it is a Presidential election year.

Let me add, too, that the private sector is not any better off in looking at the long-term problems. I read articles as all of my colleagues have read articles, that a CEO today that would walk into his board of directors meeting and propose a 5-year investment program would have a hard time because they are asking him for the quarterly report. And many CEO's are being today tenured on a quarterly basis, not on a 5-year plan that is not going to pay off in 5 years for the investment he is suggesting today.

I recognize there are all kinds of economic forces that help create these circumstances but what I am saying is many in the private sector are looking from quarter to quarter in their economic investments, as we are looking from year to year. This bill is giving us a perspective of distance, of time, of long-term vision. That is another reason why I enthusiastically support this legislation.

This is not just for economics. Let me say it is for the defense of the Nation, and it is for the political stability of the Nation, as well as for the economic health of the Nation.

The provisions in this bill vastly expand the amount students may borrow to help them finance their education. In addition, this legislation increases the amount the Federal Government can simply give them through grants to help them fund the college bills.

During the time when many States are cutting their educational expenses drastically—and my State is one of them—it is not just educational budgets that are being cut by one of these simple, quick fixes that was initiated by petition in my State, one of the first States to have that in the referendum. The people were misled, in my view, to think that a simple 5-percent limitation on any taxes was going to solve their property tax problem and all of the other tax problems, and all it has done is undermine the stability of my State.

I point out also that it is an interesting commentary. Our State is divided with the Cascade Mountain range, and

everything east of the mountains is called as the rural area, sometimes referred to as cowboy and wheat country. The west of the mountain is where the urban population is. Think of this: with one exception, every county east of the mountains in rural Oregon voted down this initiative—the biggest property owners in the counties. Everyone west of the mountains, urban areas, voted for it.

Of course, the educational impact is heavier on the populated areas. And yet the very people that thought they were finding a quick fix for some disillusionment and concern about the growing cost of State government are now beginning to understand that they are going to pay the highest bill. I think it is incumbent upon the Federal Government to do what it can to provide increased resources to sustain our national educational institutions.

I failed to say that often these cost-cutting measures recommended by this example in my State, instead of easing the burden, has increased the burden.

Mr. President, I am pleased to have played a small role in crafting a portion of this legislation. I will do a commercial at this point. It was successful only because of the support we have from the leadership in the committee from Senators PELL, KASSEBAUM, JEFFORDS, and others, and that is, this is the title XI which reauthorizes the urban grant initiative.

As you know, I introduced legislation on this matter last June, which has been incorporated by the committee. And for the first time, Mr. President, Congress has appropriated funds, approximately \$8 million for fiscal year 1992, to make it the first appropriation of the urban grant program since its original enactment. This is a focus upon urban higher education so they may form partnerships with school systems and local governments and businesses and nonprofit institutions to develop a consortia approach to solve severe urban problems, social problems, economic problems, housing problems; and all of the other problems that are unique to urban America.

We have the land grant colleges that have their focus upon the support for the rural areas of our State and of our Nation. Now this has become the equivalent of the focus upon the unique urban problems. I think that to deal with urban poverty, health care, crime prevention, housing and infrastructure, environmental concerns and economic developments, concerns of the elderly and of the disabled, is a very important reason and base for this particular section.

Our Nation's urban centers are facing increasingly pressing problems and needs certainly in these critical areas. Yet, we have the resources ready to deploy to improve these conditions, and they are in the Nation's institutions of higher education, people with

underutilized schools, knowledge and experience who are capable of providing a vast range of services toward the elimination of these problems.

I believe that these urban institutions should better use their resources by joining hands with key players in their communities to make a significant contribution to improving the urban condition.

Portland State University, in my State, an institution in the largest metropolitan city, is poised to undertake this kind of partnership. The authorization for this program, Mr. President, is merely \$20 million. I say "merely" only on the basis that when you contrast it to other accounts in not only this educational budget but other budgets as well, it is really, relatively speaking, a small amount. Even though it is modest, the prospects are bright that this approach may generate and leverage additional resources within these communities. And so I urge you to look at this \$20 million as merely seed money, seed money, leverage. Who knows whether it is going to be a 20-to-1 or 10-to-1 leverage? But certainly in collaboration with these other agencies and groups in the urban centers, it can be very important seed money.

I am grateful again to Senator KASTEN and Senator DOLE for their interest in the urban grant concept. As I have already paid tribute to Senator KASSEBAUM, Senator PELL, Senator KENNEDY, and Senator JEFFORDS, I just want to specifically add to that list Senator KASTEN and Senator DOLE. In addition, Senator DOLE has expressed an interest in applying this concept to problems of the disabled, and I welcome that addition to the urban grant focus.

I also intend to work with my colleagues on the Labor Committee, as this bill goes to conference, to retain some of the details of the urban grant title.

I look forward to the debate on this important legislation, and I think we are launching today with a very clear character to this bill, and that is the bipartisan support this bill represents. That is important at the congressional level, and it is also important from the executive branch level.

I want to take a moment, too, to focus on Education Secretary Lamar Alexander and his dynamic leadership in the field of education and for President Bush for wanting to become the educational President.

Let me say that there is enough work to do in education that everybody can become the educational President, Senator, or Congressman. I do not think we have to get into a feeling of competition with the White House or the President of the United States. I think we have the need for all of us together to focus and to advance the cause of education.

So I am very, very delighted that we have brought education to a level of concern by all branches of Government today, and that is our responsibility in the legislative branch to bring the vehicle forward.

During the next few days, I intend to offer my amendment to designate a liaison for the community colleges within the Department of Education. Mr. President, we all know that community colleges now serve vastly increased numbers of students, and it is high time that our national education system recognize the role they play by providing an advocate in the Department of Education.

I hope my colleagues will join me in this endeavor. Having been privileged to be Governor of my State at a time when we launched the community college system, I can remember a lot of feeling that this is another dilution of the educational resources and, therefore, why go into a community college system?

Once it was established, there was sort of a feeling it is not higher education, per se, under the unified system of education we have in the State board of education, and therefore we put it over in the Department of Education, which is fairly focused on secondary education, special, and handicapped. It was thought of as neither fish nor fowl.

It has now matured in many States of the country to be such an integral part of the total education picture, and ought to have recognition and an adequate role in the Department of Education so it does not get lost between the cracks, between the public elementary, secondary, and postsecondary or higher education.

The human mind, we all agree, is a terrible thing to waste. Today's efforts by this body demonstrate a commitment to elevate education above the political fray. I believe this is a dawning bright day for education, and I for one could not be more pleased.

Mr. JEFFORDS. Mr. President, will the Senator from Oregon yield for a question?

Mr. HATFIELD. I am happy to yield.

Mr. JEFFORDS. I, first of all, commend the Senator for a profound and insightful statement on the need to invest in education. On the future of the Nation, I think we all recognize that we are facing some very difficult times ahead of us in international competition, and the need for us to understand that unless we improve our educational system we will not be in a position to compete.

I shared the Senator's story of the economist today. But I think one of the most memorable moments in my coming to the Senate is the first group meeting I had with CEO's in my office. I anticipated them saying to me: About capital gains, do this for us. What they all said is: What you have to do is in-



crease the funding for Head Start. And I almost fell off my chair.

They are so concerned about having the kind of skills available, the kind of education available for this Nation to be able to compete in the future. So if we do not start the investment—and that is the long-term investment. When you are talking about Head Start, you are talking about investment that will not pay off for a dozen years, anyway.

I thank the Senator for his incredible contribution to the debate. And when you realize the kind of competition that we face in the international sector, where the Japanese, for instance, spend 12 percent of their GNP on education and we spend 6 percent, and where I have examined the German education systems and have seen the kind of skilled training they give their young people that puts them in a position to improve productivity immediately upon leaving school, I get concerned.

But I am so really rewarded for having listened to the Senator's very excellent statement on the needs for this Nation, and I appreciate his remarks.

Mr. HATFIELD. I thank the Senator from Vermont.

Let me just add to his point. It is very interesting that the first point Dr. Herb Stein, the economist, gave to our committee today as what he would suggest as a prescription the Congress can do now is to increase Head Start. That is where Dr. Herb Stein started.

So it validates not only what the Senator got out of the business community leadership that recognized this, but it was also interesting because I must confess to you as I listened to these economists, one having been the Chairman for a Republican President and one for a Democratic President, I turned to my staff person, and I said, "If you had not heard and identified these statements, where would you have put the D and the R?"

And it was a slight blend, that we would put the D with Mr. Stein and the R with Mr. Schultze.

I do not think this is peculiar. I think this is illustrative that there are certain fundamentals that blend today as we face the economic problems, that the D's and R's are far less important than they may have been in the days when Republican high tariff and Democratic free trade and some of those philosophies were so identified with one party or the other.

This today is a far different economic circumstance. I still think it is rather odd in one way that a conservative Republican President was the man who fought protectionism with the Congress, Mr. Ronald Reagan, and how this has switched so much so that in the Congress, it became the Democratic Party that was a protectionist party and the Republican White House and Republican majority in the Senate

said: No, we cannot have protectionism and advance the cause of the economists.

I only use these as illustrations, as the labels and positions of philosophical history have all become mixed today because we have one common, complex problem. Whatever philosophy you have, you have to address certain fundamentals, and education is the key, from my perspective.

Mr. JEFFORDS. And my perspective, Mr. President.

I thank the Senator.

Mr. KASTEN. Mr. President, I wish to enter into a colloquy with my distinguished friend and colleague from Oregon.

Mr. HATFIELD. I would be honored to enter into a colloquy with my good friend from Wisconsin.

Mr. KASTEN. I wish to commend the Senator for his persistent leadership in providing legislation and funding for encouraging partnerships and collaboration to solve severe urban problems.

Mr. HATFIELD. I appreciate the kind words of the Senator from Wisconsin. We are all too familiar with the litany of problems that afflict urban areas: Issues of the elderly, of families and children, of the poor; urban housing and infrastructure; economic development and work force preparation; health care; school systems and their disadvantaged students. For too long these problems have been shouldered by the school boards, superintendents, city halls, and county governments. It is time for the entire community to come together to solve these problems.

Mr. KASTEN. I agree with my distinguished friend. Today I offered an amendment to the Higher Education Act, which I believe will further advance the efforts by the Senator from Oregon. My amendment establishes campus and community crime prevention, including enhanced security and safety awareness measures as well as coordinated programs addressing the root causes of crime. This expansion of title XI will establish a program of Federal support for urban institutions of higher education as they grapple with crime on their campuses and in the surrounding communities. Unfortunately, violent crime in America's cities has touched the lives of too many Americans.

In my home State of Wisconsin, the homicide rate in the city of Milwaukee increased 42 percent between 1989 and 1990. Marquette University in Milwaukee has experienced five tragic reminders of the increasing economic deterioration and criminal activity in America's urban communities. In the past 6 years, five Marquette students were killed in criminal incidents.

While none of those killings occurred on the Marquette campus, they all occurred in the community surrounding the campus, where many Marquette students live in rental housing.

Marquette and most other American universities have recognized that information alone will not solve this growing problem. Marquette has realized that in order for the Nation's urban universities to survive to perform their educational functions, they must enter into partnership with their neighborhoods and communities, to halt the economic deterioration of those communities and reduce the incidence of criminal activity on and near their campuses. They must address the root causes of crime, not simply report on its occurrence. Marquette has stepped forward with a partnership plan to do just this.

Students, faculty, staff, area businesses, residents, community organizations, and the entire neighborhood must work together to provide a safe environment for the entire community.

Mr. HATFIELD. I wish to commend the Senator for recognizing the need to enhance the crime component in title XI, urban community service section of the Higher Education Act. The upsurge in violent crime in America's cities has had a serious impact on the Nations' universities, particularly those in the inner cities. Again, I applaud your efforts to recognize the need for universities to design and implement programs to assist urban communities to address crime and other severe problems facing their community.

Mr. KASTEN. I thank the Senator for working closely with me on these important provisions and I salute him for his continued support of urban community service in the higher education legislation.

Mr. PELL. Mr. President, I would just like to thank my colleagues for the words and wisdom they have expressed; first the Senator from Oregon, the Senator from Kansas, and the Senator from Vermont. Without this bipartisan approach, we would not be where we are today.

In the absence of any other Senators on the floor, beseeching them to come over to offer the amendments they may have, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. DOLE. Was the leader time reserved?

The PRESIDING OFFICER. The Chair will advise the Republican leader that the leaders' time has been reserved.

Mr. DOLE. I ask unanimous consent that my statement be separated from

the discussion on the Higher Education Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### ALEX HALEY

Mr. DOLE. Mr. President, America lost one of its literary giants last week with the untimely death of Alex Haley. Not only was Mr. Haley a great writer, but he was also a man with a vision who was determined to fill in some of the holes in our Nation's history—a history that would not be complete without the contributions of African-Americans.

Through his Pulitzer Prize-Winning book, "Roots, the Saga of an American Family," and the television miniseries of the same name, Alex Haley brought a new dimension to our own history. While this new dimension may have been painful, it was a long overdue and welcome addition. Few authors can be credited with changing the attitudes of a nation, but Alex Haley was one of them.

Furthermore, not only did Alex Haley celebrate his own roots, but he also spurred all of us—whatever race or creed—to reexamine and appreciate again the strengths, joys, and indispensability of the family.

Just as the family will survive forever as the most important social force in America, "roots" will stand forever as a landmark in American literature.

I know that all Members of the Senate join with me in extending our sympathies to Mr. Haley's family and friends, which include his widow, Myra; his son, William; his two daughters, Cynthia and Lydia; and also his brother, George, who has provided outstanding service to the public as Chairman of the Postal Rates Commission. I have had the honor of knowing the Haley family for many years now, and I can tell you they are a special group of Americans.

Mr. President, early last year, my friend, George Haley sent me a copy of a Reader's Digest article that Alex had written about their father. It is a very inspiring story offering the lesson that each person blessed with success has an obligation to return part of that blessing.

Through his life's work which affected countless citizens across the world, Alex Haley more than returned the blessings which had come his way. I ask unanimous consent that the article, entitled "The Man On the Train," be printed in the RECORD following my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1).

Mr. DOLE. Mr. President, America will miss the voice of one of its greatest writers, but his words will echo forever in our unique and inspirational history.

#### EXHIBIT 1 THE MAN ON THE TRAIN (By Alex Haley)

Whenever my brothers, sister and I get together we inevitably talk about Dad. We all owe our success in life to him—and to a mysterious man he met one night on a train.

Our father, Simon Alexander Haley, was born in 1892 and reared in the small farming town of Savannah, Tenn. He was the eighth child of Alec Haley—a tough-willed former slave and part-time sharecropper—and of a woman named Queen.

Although sensitive and emotional, my grandmother could be tough-willed herself, especially when it came to her children. One of her ambitions was that my father be educated.

Back then in Savannah a boy was considered "wasted" if he remained in school after he was big enough to do farm work. So when my father reached the sixth grade, Queen began massaging Grandfather's ego.

"Since we have eight children," she would argue, "wouldn't it be prestigious if we deliberately wasted one and got him educated?" After many arguments, Grandfather let Dad finish the eighth grade. Still, he had to work in the fields after school.

But Queen was not satisfied. As eighth grade ended, she began planting seeds, saying Grandfather's image would reach new heights if their son went to high school.

Her barrage worked. Stern old Alec Haley handed my father five hard-earned ten-dollar bills, told him never to ask for more and sent him off to high school. Traveling first by mule cart and then by train—the first train he had ever seen—Dad finally alighted in Jackson, Tenn., where he enrolled in the preparatory department of Lane College. The black Methodist school offered courses up through junior college.

Dad's \$50 was soon used up, and to continue in school, he worked as a waiter, a handyman and a helper at a school for wayward boys. And when winter came, he'd arise at 4 a.m., go into prosperous white families' homes and make fires so the residents would awaken in comfort.

Poor Simon became something of a campus joke with his one pair of pants and shoes, and his droopy eyes. Often he was found asleep with a textbook fallen into his lap.

The constant struggle to earn money took its toll. Dad's grades began to founder. But he pushed onward and completed senior high. Next he enrolled in A & T College in Greensboro, N.C., a land-grant school where he struggled through freshman and sophomore years.

One bleak afternoon at the close of his second year, Dad was called into a teacher's office and told that he'd failed a course—one that required a textbook he'd been too poor to buy.

A ponderous sense of defeat descended upon him. For years he'd given his utmost, and now he felt he had accomplished nothing. Maybe he should return home to his original destiny of sharecropping.

But days later, a letter came from the Pullman Company saying he was one of 24 black college men selected from hundreds of applicants to be summertime sleeping-car porters. Dad was ecstatic. Here was a chance! He eagerly reported for duty and was assigned a Buffalo-to-Pittsburgh train.

The train was racketing along one morning about 2 a.m. when the porter's buzzer sounded. Dad sprang up, jerked on his white jacket and made his way to the passenger berths. There a distinguished-looking man said he and his wife were having trouble sleeping,

and they both wanted glasses of warm milk. Dad brought milk and napkins on a silver tray. The man handed one glass through the lower-berth curtains to his wife and, sipping from his own glass, began to engage Dad in conversation.

Pullman Company rules strictly prohibited any conversation beyond "Yes, sir" or "No, ma'am," but this passenger kept asking questions. He even followed Dad back into the porter's cubicle.

"Where are you from?"

"Savannah, Tennessee, sir."

"You speak quite well."

"Thank you, sir."

"What work did you do before this?"

"I'm a student at A & T College in Greensboro, sir." Dad felt no need to add that he was considering returning home to sharecrop.

The man looked at him keenly, finally wished him well and returned to his bunk.

The next morning, the train reached Pittsburgh. At a time when 50 cents was a good tip, the man gave five dollars to Simon Haley, who was profusely grateful. All summer, he had been saving every tip he received, and when the job finally ended, he had accumulated enough to buy his own mule and plow. But he realized his savings could also pay for one full semester at A & T without his having to work a single odd job.

Dad decided he deserved at least one semester free of outside work. Only that way would he know what grades he could truly achieve.

He returned to Greensboro, but no sooner did he arrive on campus than he was summoned by the college president. Dad was full of apprehension as he seated himself before the great man.

"I have a letter here, Simon," the president said.

"Yes, sir."

"You were a porter for Pullman this summer?"

"Yes, sir."

"Did you meet a certain man one night and bring him warm milk?"

"Yes, sir."

"Well, his name is Mr. R. S. M. Boyce, and he's a retired executive of the Curtis Publishing Company, which publishes The Saturday Evening Post. He has donated \$500 for your board, tuition and books for the entire school year."

My father was astonished.

The surprise grant not only enabled Dad to finish A & T, but to graduate first in his class. And that achievement earned him a full scholarship to Cornell University in Ithaca, N.Y.

In 1920, Dad, then a newlywed, moved to Ithaca with his bride, Bertha. He entered Cornell to pursue his Master's degree, and my mother enrolled at the Ithaca Conservatory of Music to study piano. I was born the following year.

One day decades later, editors of The Saturday Evening Post invited me to their editorial offices in New York to discuss the condensation of my first book, "The Autobiography of Malcolm X." I was so proud, so happy, to be sitting in those wood-paneled offices on Lexington Avenue. Suddenly I remembered Mr. Boyce, and how it was his generosity that enabled me to be there amid those editors, as a writer. And then I began to cry. I just couldn't help it.

We children of Simon Haley often reflect on Mr. Boyce and his investment in a less fortunate human being. By the ripple effect of his generosity, we also benefited. Instead



of being raised on a sharecrop farm, we grew up in a home with educated parents, shelves full of books, and with pride in ourselves. My brother George is chairman of the U.S. Postal Rate Commission; Julius is an architect, Lois a music teacher and I'm a writer.

Mr. R. S. M. Boyce dropped like a blessing into my father's life. What some may see as a chance encounter, I see as the working of a mysterious power for good.

And I believe that each person blessed with success has an obligation to return part of that blessing. We must all live and act like the man on the train.

#### CBO STUDY ON DEFENSE CUTS

Mr. DOLE. Mr. President, yesterday, Senator WARNER, Senator DOMENICI, Senator STEVENS, and I released a study on the effects that massive defense cuts could have on our economy. Some people did not like me asking that question. And no one likes the answer. I have been accused of seeking partisan advantage by wanting to know—in advance—who might be hurt if such such drastic cuts were enacted. I have been accused of wasting the taxpayers' money for wanting to know—in advance—how best to use any savings we might achieve from defense reductions.

Some people believe that you should not ask the question if you cannot stand the answer. But in my view, that would be irresponsible. So, before we go blindly gutting the defense budget and start spending the so-called peace dividend, I think we ought to take a look at it—study it, and face up to any damage that might be caused—ahead of time.

Let me give you a little background. In June of 1990, both the House and Senate were deliberating budget proposals, most of which included radical cuts in our national defense. As I recall, the term "peace dividend" had just surfaced, Saddam Hussein was unknown to most of the world, the economy was still strong, Gorbachev was still in power, and the rush was on to grab defense dollars to fund an endless list of new social experiments. It occurred to me that we should take a careful look at the potential economic impact of some of these proposals.

In my tasking letter to the Congressional Budget Office dated July 10, 1990, I stated:

I am concerned that a too-rapid decline in our defense spending may precipitate severe economic dislocations on local, regional, and potentially, the national economy. While our defense spending should be predicated upon our national security needs, it is the responsibility of Congress to fully assess the economic ramifications of the defense budget proposals now under consideration, and select a course for our defense spending with all of the facts in hand.

I ask unanimous consent that a copy of my entire letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD as follows:

U.S. SENATE,  
OFFICE OF THE REPUBLICAN LEADER,  
Washington, DC, July 10, 1990.

Mr. ROBERT D. REISCHAUER,  
Director, Congressional Budget Office, Washington, DC.

DEAR BOB: I am concerned that a too rapid decline in our defense spending may precipitate severe economic dislocations on local, regional, and potentially, the national economy. While our defense spending should be predicated upon our national security needs, it is the responsibility of Congress to fully assess the economic ramifications of the defense budget proposals now under consideration and select a course for our defense spending with all of the facts at hand. Therefore, I am writing to ask the Congressional Budget Office to conduct an analysis of the effect that these defense budget proposals would have on the economy as a whole while paying special attention to the effects on selected regional and local economies.

This analysis would assume funding allocations, program cuts/terminations, base closures and manpower reductions as provided by the Department of Defense Comptroller for each of the budget proposals analyzed. The baseline economic assumptions of interest rates, GNP, employment and other required elements of economic modeling should be consistent with current CBO assumptions.

This study would seek to quantify the impact on employment, financial markets, state and federal revenue, and other economic indicators both direct and indirect that would result from the adoption of the specified budget proposals.

Because the Congress is currently deliberating budget resolutions in both the House and Senate, the results of this study are needed as quickly as possible. Dan Stanley, from my staff, will assist you and answer any questions that you may have on this matter. Please feel free to contact him at 224-6521.

Sincerely,

BOB DOLE,  
U.S. Senate.

Mr. DOLE. I want to talk about the results of this study, but first let me take a moment to review what has happened since I made that request to CBO: Saddam Hussein invaded Kuwait, a historic bipartisan budget agreement was reached, and Desert Shield and Desert Storm demonstrated that America's military investment was both prudent and effective.

But, in less than 2 years, we have come full circle. The Democrats have already dismissed our dramatic victory in the Persian Gulf, once again declared that no threats exist to our security, are poised to trash the budget agreement, stand ready to gut our military, and begin another wild social spending spree that will not only wreck our economy in the near term, but fritter away our future economic growth as well. Some things never change.

The difference in 1992, however, is that the American people are waking up. According to the CBO, defense cuts already enacted by the Congress are going to cause at least 600,000 defense-related jobs to disappear. Already, tens of thousands of American aerospace workers—the backbone of America's

technological crown jewel—have found themselves in the unemployment line. They find themselves laid off not because of the fall of communism, but because year after year, since 1985, the Democrats have demanded cuts in the defense budget. These are many of the same people that the Democrats tell us are hurting. Yes, they are hurting. Why?

Under the Democrats plan to double the cuts in defense, the CBO clearly demonstrates that these losses would grow dramatically—perhaps as many as 1.4 million jobs would disappear by 1997. Some want to go even farther, proposing to slash over \$200 billion out of defense.

The President, Secretary Cheney and General Powell propose a prudent build down of our national defense—consistent with the great uncertainty that exists in this dangerous world. But the Democrats want to burn down defense and squander the money. According to the CBO, this will take a serious human toll. When you cut defense, somebody loses.

But the Democrats want it both ways. When congressional demands to cut the defense budget force Secretary Cheney to terminate hundreds of defense programs and close scores of bases, the Democrats cry foul.

So let us face the facts. Slashing away at defense slashes away at people, at communities, at our industrial base, and at our security. Those are the facts. You cannot have it both ways.

The response to this CBO study has been particularly revealing. I have been accused of timing the release of this study. I have been accused of carefully selecting case studies to embarrass Democrats. And, I have been accused of wasting the taxpayers' money for wanting to know what would happen to our economy should the Congress adopt the Democrats' budget proposals.

I want the record clear on this matter. I asked the Congressional Budget Office for this study in July 1990. A copy of my request has been placed in the RECORD. The final results of this analysis were not available to me until yesterday. Further, I authorized the CBO to prebrief all Members whose districts were discussed in the study.

Originally, I asked the CBO to do this analysis State-by-State, but I was told that they could not accommodate that request. Instead, CBO proposed to do case studies of the economic effects of defense cuts on the local economies of their choice. It was the Congressional Budget Office—an organization sometimes criticized by Republicans as being biased toward the Democrats—an organization staunchly defended by Democrats as being completely non-partisan and unbiased—it was the CBO who selected the specific case studies—without any suggestion or direction from me or my staff.

The CBO chose to look at Maine. Now, the last time I checked, Senator COHEN also represents Maine, and he is a Republican. Perhaps he is a bit more sensitive to the effect of rapid defense cuts.

The CBO also looked at what will happen in the communities surrounding Fort Ord, CA, when it closes. I must note that California has a Republican Senator—who happens to be up for reelection this year. And I must remind my colleagues that Fort Ord had already been selected for closure long before I requested this study. But, again, the CBO selected Fort Ord for analysis.

The third case study focused on the local economic effects of defense cutbacks at McDonnell Douglas, the largest defense contractor in the Nation and the largest employer in St. Louis, MO—a State with two Republican Senators. And, as in the first two cases, this was CBO's choice.

I find it interesting that the Democrats want to talk about how people are hurting, but refuse to talk about the pain inflicted by their defense cuts—billions-of-dollars in GNP, and hundreds of thousands of jobs. You cannot have it both ways.

In my view, the responsible approach is to take a careful look before we act. That is why I directed this study. I encourage my colleagues to read it.

And I would place it in the RECORD, but it is rather voluminous and it would cost a great deal of taxpayers' money. But copies are available at the Congressional Budget Office, and I would be happy to make copies available to any of my colleagues.

I say again that I think it is an indication of when you make massive cuts, when you say, take it out of defense, take it out of defense, \$50, \$100, \$150, \$200 billion. And defense was never meant to be a jobs program. But before we act, before we put hundreds of thousands of people out of work—as I said an estimated, in one case, 1.4 million—we better find out for certain what the ramifications will be.

Mr. President, I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. THURMOND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. THURMOND. Mr. President, I ask unanimous consent to proceed as in morning business for a few minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. THURMOND. I thank the Chair. (The remarks of Mr. THURMOND pertaining to the introduction of S. 2244 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

The PRESIDING OFFICER (Mr. SIMON). The Senator from Ohio is recognized.

Mr. METZENBAUM. Mr. President, I ask unanimous consent I be permitted to address the Senate as in morning business.

The PRESIDING OFFICER. Is there objection?

Mr. HELMS. Mr. President, reserving the right to object, I have an amendment.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. HELMS. I just wonder if the Senator would be willing to let the amendment at least be stated?

Mr. METZENBAUM. I am sorry?

Mr. HELMS. I say, I have an amendment to the bill.

Mr. METZENBAUM. If my colleague would not mind, our distinguished colleague, Senator GLENN, orbited the Earth 30 years ago today. I would just like to make—

Mr. HELMS. You have persuaded me, Senator.

Mr. METZENBAUM. I thank my colleague.

The PRESIDING OFFICER. The Senator from Ohio is recognized.

### THIRTIETH ANNIVERSARY OF JOHN GLENN'S SPACE FLIGHT

Mr. METZENBAUM. Mr. President, I rise to call my colleagues attention to the fact that today marks an important anniversary for our country and for one of our distinguished colleagues. Thirty years ago today, on February 20, 1962, Col. JOHN GLENN of New Concord, OH, blasted off atop a Mercury Redstone rocket and took his Friendship 7 space capsule into space, becoming the first American to orbit the Earth.

In a sense all of America went with JOHN GLENN on his three orbits. Most of us followed his journey by TV or radio. We cheered his blastoff. We listened intently as he described his view of our planet from space. We held our breath as the capsule re-entered the atmosphere, and we cheered again when it safely splashed down in the Atlantic Ocean.

The entire Nation had a shared sense of pride in the space-age accomplishments of that day. We saluted the brave astronaut as America's hero. He made us all proud. We stood a little taller.

But JOHN GLENN was not through serving his country. He went on to serve Ohio and America well and ably in the U.S. Senate since 1975.

I congratulate my friend, JOHN GLENN. He is my colleague. On the anniversary of his historic flight, it is a day for all of us in this body to be proud of.

I particularly want to give recognition to that lady who was waiting for him patiently, concerned, tense, sup-

portive when he went up and when he returned, his beloved, his devoted, his dedicated, his supportive wife Annie.

All of us can say that America is fortunate to have men like Col. JOHN GLENN, who did us all proud 30 years ago today. We are all fortunate to have Senator GLENN serving with us here in the Senate.

### HIGHER EDUCATION AMENDMENTS OF 1991

The Senate continued with the consideration of the bill.

The PRESIDING OFFICER. The Senator from North Carolina.

#### AMENDMENT NO. 1653

(Purpose: To prohibit the use of Drug-Free Schools and Communities Act funds to provide homosexual support services to school students)

Mr. HELMS. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from North Carolina [Mr. HELMS] proposes an amendment numbered 1653.

At the appropriate place, insert the following:

#### SEC. PROHIBITION ON CERTAIN USES OF FUNDING.

Part G of the Drug-Free Schools and Communities Act of 1986 (20 U.S.C. 3231 et seq.) is amended by inserting at the end the following new section:

#### "SEC. 5194. PROHIBITION ON CERTAIN USES OF FUNDING.

“(a) PROHIBITION.—

None of the funds authorized to be appropriated by this title may be used by any recipient of funds under this title to pay for homosexual support or education services, or to promote or encourage, either directly or indirectly, intravenous drug abuse or homosexual, bisexual, or heterosexual sexual activity, whether premarital or extramarital.

No youth shall be deemed at risk of substance abuse solely on the basis of the youth's homosexuality.

The PRESIDING OFFICER. The Senator from North Carolina is recognized.

Mr. HELMS. Mr. President, this amendment poses a clear-cut question: Should the taxpayers' dollars authorized for use under the Drug-Free Schools and Communities Act for substance-abuse educational programs in the schools be misused to fund homosexual outreach programs in the public schools?

Senators may wonder, as I did, why this question even needs to be asked? But the fact is that, right now, funds intended for substance-abuse prevention programs are being used to promote homosexuality in the schools. And I shall document that in just a moment.

Specifically, Mr. President, hundreds of thousands of dollars are now being diverted in San Francisco, New York, Ohio, and perhaps in other States. I



trust that all Senators will agree that funds authorized for fighting drug abuse should be used to fight drugs, not to promote homosexuality among schoolchildren. But that is precisely what is going on.

With this in mind, the amendment at the desk proposes to forbid the use of funds authorized and appropriated solely for substance-abuse prevention—as authorized by the Drug-Free Schools and Communities Act of 1986 and administered by the Department of Education—to provide educational support services for gay and lesbian youth in the Nation's schools.

The pending amendment is similar to one adopted by the Senate on August 2, 1991, as part of S. 1306, the Alcohol, Drug Abuse and Mental Health Administration Reauthorization Act. That amendment was intended to prevent a similar misuse—no, the word is abuse—of funds in ADAMHA administered substance-abuse programs.

Mr. President, 3 weeks ago, I offered an amendment calling on the Supreme Court to return to the schools of America the right of voluntary prayer. I shared with the Senate the numerous assaults on any hint of Christianity in the schools, including examples of teachers and students all across this country who have been denied the right to read or even to carry their Bibles onto school property.

I did not point out at that time, but I probably should have, that during the past decade or so the rights, privileges, and respect denied traditional Judeo-Christian religions in the school are now bestowed upon the homosexual and sexual liberation movements under the guise of promoting diversity and multiculturalism in the schools.

For example, the New York Daily News reported on February 12 of this year that the mandatory multicultural curriculum for first graders in Brooklyn schools included three books titled, "Gloria Goes to Gay Pride"; "Daddy's Roommate"; and, third, "Heather Has Two Mommies."

The books were removed from the schools when the books' presence in the schools became public because the books' descriptions of artificial insemination and other sexually related topics were deemed just a little too graphic for first graders.

Mr. President, in an interview last year in the September 24 issue of the Advocate, which is a homosexual publication, the leaders of the militant homosexual group, "Queer Nation," stated that the ultimate goal of their organized protests—and efforts to hand out condoms and homosexual tracts—on public school grounds was to force school boards to "integrate lesbian and gay literature and history into the curriculum" and "to establish in-school support programs for lesbian and gay youth."

Parenthetically, I despise the abuse of the once beautiful word "gay." They are not gay; they are repulsive.

What Queer Nation's leaders did not say is that homosexual school support programs invariably advocate homosexuality as a viable lifestyle and enable homosexuals to recruit students into homosexuality.

Last summer records from the San Francisco school system clearly showed that one of their drug education projects overwhelmingly focused on the needs of "youths confused about their sexuality" rather than on students' problems related to drug abuse.

I then asked the U.S. Department of Education to explain just how the project qualified for Drug-Free Schools and Communities Act funding that Congress had targeted for substance-abuse education. That act said nothing about teaching youngsters about homosexuality. The act's purpose was to fund drug abuse prevention programs.

The Department of Education agreed that under the act—and this is what they wrote—"local drug prevention programs must be directly related to alcohol and drug abuse education and prevention." But the Department failed to explain how the San Francisco gay and lesbian program had met that requirement. I noted that and became even more interested in the subject.

When I pressed the Department of Education they replied in another letter that:

The statutes for many programs like the Drug-Free Schools and Communities Act provide considerable latitude to the State educational agencies and the Governors to exercise discretion as they feel appropriate to address their particular situations. The Department must administer what Congress has set forth.

If the statutes are really that confused, Mr. President, it is time to slam the door and say, No more of this. Mr. Government Bureaucrat or Governor, or whoever, of whatever State.

Mr. President, this money should not—and shall not, if I have anything to do with it—be used to encourage homosexuality. If this amendment is not approved, and I hope it will be approved on a voice vote—if not, we will go to a rollcall vote on it.

If this amendment is not approved, then that will be interpreted as a green light by those who are presently abusing the taxpayers' funds to support and encourage homosexuality. We should slam the door on that misconception.

While I am on this subject, Mr. President, I should point out that the homosexual groups are going beyond the public schools in their efforts to get at the Nation's schoolchildren. In San Francisco, again, they are trying to force the United Way—which is a private agency—to stop funding the local Boy Scout Council—another private organization—because the Scouts refuse to allow homosexuals to become

Scoutmasters. And hooray for the Boy Scouts. I am even prouder of them than I have ever been before.

The Senate, Mr. President, obviously is limited in its ability to prevent homosexuals from recruiting children in private organizations. But as U.S. Senators, we can prevent private groups and public schools from using Federal funds to: First, subsidize homosexual recruiting efforts under the guise of multiculturalism or; second, to provide homosexual support services in the schools.

As I said, it came to my attention late last year that the San Francisco Unified School District had used \$12,000 in Federal Drug-Free Schools Act funding—plus \$8,000 from other Federal programs—to subsidize the salary of a so-called director of Support Services for Gay and Lesbian Youth.

In a memo to the entire district, the superintendent of San Francisco's schools stated that the purpose of the district's federally subsidized Gay and Lesbian Youth Program was, among other things—now get this, Mr. President—to:

(1) Demystify sexuality and homosexuality, and recognize the contribution of gay and lesbian persons to our culture and our history;

(2) Educate all school personnel and students on the intent and content of the district's antislander policy and assist in the enforcement of it; and

(3) Link gay and lesbian students and their families with culturally appropriate community resources.

Mr. President, as the little girl in the comic pages used to say: "I may frow up." I think a lot of American taxpayers will feel the same way about it.

The project director's duties as spelled out in the memo are these:

(1) "Support designated Gay and Lesbian Sensitive Adults at each high school."

(2) Set up a telephone switchboard for information "on support services for Gay and Lesbian Youth."

(3) Respond to the needs of middle and high school students "related to gender identity."

Mr. President, that's the first time I ever knew there were students who could not identify his or her own gender. I continue:

(4) Prepare an approved reading list "about sexuality, homosexuality, and bisexuality."

(5) Distribute a "list of homosexual community groups to every middle and high school library and counseling office."

And I might add parenthetically and disgustedly, they are using Federal funds to do it—Federal funds intended to fight drugs. This superintendent's memorandum also requires the program to work with the bay area network of gay and lesbian educators.

Let me say again for emphasis, all of this is being subsidized by money furnished by the American taxpayers.

Let us look back just a moment, Mr. President. When Congress passed the Drug-Free Schools and Communities Act of 1986, it certainly was my under-

standing from reading the legislation that Congress' intent was to inform students about the dangers of using illegal drugs. Special attention was focused on students at greater risk of becoming drug users themselves, and in section 5122, as slightly modified in the Anti-Drug-Abuse Act of 1988, the 1986 act used—and defined—the term "high-risk youth" applied to such students, to include only young people who are—and that is what it says—who are: school dropouts, pregnant, economically disadvantaged, repeated school failures, children of drug abusers, victims of physical or psychological abuse, suicidal, or who have experienced mental-health problems or long-term physical pain, or are violence-prone delinquents.

That specific definition did not stop the San Francisco school system; no, sir. The San Francisco school system—and this is a matter of record—circumvented Congress' definition of "high-risk youth" by unilaterally expanding it to include students "at risk of HIV infection" and "disproportionately at risk for verbal and physical assaults."

I think I understand the King's English, or simple English at least. But, the Department of Education says Congress has given it no control over how school districts spend the tax dollars they receive under the Drug-Free Schools and Communities Act. I do not know who is running the show, but if they cannot understand the act's English language, maybe some of the folks over at the Education Department better go back to grade school themselves.

San Francisco's abuse of the specific direct intent of Congress is not unique, Mr. President. The Governors' offices in New York and Ohio also have used Federal funds to support similar homosexual school outreach programs, and the Department of Education is continuing to investigate whether other States or school districts have misused the funds as well.

To justify using drug-free schools funds provided by the American taxpayers to support a gay and lesbian high-risk youth prevention project at the Alpatha Healing Center in Columbus, the office of the Governor of Ohio claimed that all the students served "are victims of psychological abuse—as a result—of living in a 'straight' society and having to deal with one's own sexuality."

Again, like the little girl on the newspaper's comic page, "I may frow up."

However, the most egregious example of Federal funds being used for a Homosexual Outreach Program is the one in the New York City schools. The Washington Times, reported last July that the New York Governor's office gave the Gay and Lesbian Community Center in New York City more than \$500,000 since 1988 to run a program

called—now get this—"Youth Enrichment Services," which uses the acronym YES.

The Governor's office acknowledges that most of that money came from the Federal—guess what—Drug-Free Schools Program, and that the project's purpose is to reach homosexual youth as young as age 13.

I should point out that the motto on the YES project's promotional brochure states that the project "Lets you say yes to being young and gay." But it gets worse.

With the help of funds taken from the taxpayers in North Carolina and every other State in the Union, YES sponsored after-school activities at the Gay and Lesbian Center in Manhattan, included events such as "Bridge the Gap Intergenerational Play Day" and "Coming Out, Then and Now," and another one, "Intergenerational Pride Bunch," and finally, "Lesbian and Gay Pride Celebration."

I wonder what John Q. Taxpayer would say if he could stand right here on this Senate floor and tell us what he thinks of this. He does not know it is going on. I did not know it was going on until I looked into it.

Mr. President, YES staff members quoted in the New York Guardian, a monthly statewide newspaper, stated that the Intergenerational Play Day event was meant to enable "older gay activists [to meet] teenagers recruited from the New York City public schools." Other YES staff members asserted that the intergenerational events were meant to provide positive role models from the homosexual community for homosexual youth.

However, the Washington Times noted in its story that one such positive role model was "a drag queen named 'Razor Sharp,' who serves as the 'empress' of a group of female impersonators known as the Imperial Court of New York."

Mr. President, when the Guardian's reporters rightfully queried YES staff members about possible sexual improprieties involving the teenage students at these federally subsidized seminars, they were told that YES has no written ground rules about sexual conduct. However, one staff member volunteered that YES does not "condone sex without consent." Yet another YES staffer alluded to the true nature of what probably goes on at these events when she commented that "It can be the kids that are the pursuers and often times, is."

Mr. President, experts will tell you that in our criminal courts such a statement is the precise defense raised by almost every child molester caught in America today.

But the New York Guardian dug even deeper, Mr. President, and interviewed the YES project's homosexual role model Razor Sharp. He stated that:

The straight community doesn't want to accept that someone can be sexual at ten or

eleven years old, they don't accept the fact that a boy or girl ten or eleven years old knows that he or she is homosexual, they just don't want it to be, they just can't accept it. From what I hear it (meaning child-adult relationships) happens a lot. \* \* \* It's usually about fifteen or sixteen year-olds knowing what he or she wants to do and going for it.

Mr. President, I could go on and describe the numerous other seminars the Gay and Lesbian Center offers its adult clientele at the same facility used by the teenage students—such as the seminar titled "101 Ways to Tie a Man to a Bed." Or I could point out that many activities like the center's on-site cash bar are inconsistent with the running of a taxpayer-funded substance-abuse prevention program. However, Senators probably have a good sense already of what really goes on at the Gay and Lesbian Center—at the American taxpayers' expense.

Mr. President, there are numerous other examples, but it should be clear by now that the homosexual lobby in this country is no longer content with forcing the schools and other institutions to teach children that homosexuality is a normal and an acceptable lifestyle. They are now demanding the right to go into schools and private institutions—preferably at Federal expense—to proselytize for homosexuality and to recruit sexual partners.

What is shamefully ironic, Mr. President, is that homosexuals are allowed to peddle their beliefs and practices in the schools under the guise of providing support services for homosexual students while Christians and other religious groups are prohibited from providing any support services at all for religious students.

Mr. President, at a minimum we need to stop homosexual advocates from pushing their agenda in the public schools with the help of Drug-Free Schools and Communities Act grants.

And that, Mr. President, is what brings this Senator to the floor now. It must be made perfectly clear to the Department of Education, the State education agencies, and the Governors' offices, that in authorizing substance-abuse education funding under the Drug-Free Schools Act, Congress never meant for them to hijack the funds and use them to support homosexual school outreach programs instead.

If Senators want to pay for homosexual support programs in the schools, then let them propose a specific authorization and let us have a vote on it—and those Senators can answer for such a vote to the citizens back home. But unless Congress is willing to specifically authorize spending for such programs in the schools, then the homosexual lobby should not be allowed to do it instead by diverting funds intended to help fight drug abuse.

Mr. President, Congress never intended or envisioned that the Drug-Free Schools and Communities Act



would be used to support homosexual school outreach programs. The pending amendment would ensure that those funds would once again be limited to drug abuse prevention and education programs as Congress originally intended them to be.

I yield the floor.

Mr. LEAHY. Mr. President, I know we sometimes operate under the Dracula rule of legislation; that is, we do not vote in daylight hours, but only at night when some of us want to be home with our wives and children and families and so on.

Is there any way we can find out if we are going to vote tonight? I do not want to stop any Senator from any time he wishes to speak, but will we be voting on something around here?

Mr. HELMS. Mr. President, I cannot answer the Senator.

Mr. LEAHY. The Senator and I have both been here all day, and the distinguished managers and all Senators have. I wonder if we might vote on something.

Mr. PELL. We have an intention to vote this evening. The Dracula vote, I think, has always been identified as a late night vote. So I cannot give any consolation. I would like to.

Mr. LEAHY. I do not mind late nights.

Mrs. KASSEBAUM. Mr. President, if the Senator will yield—

Mr. LEAHY. The Senator from North Carolina has the floor.

Mrs. KASSEBAUM. Will the Senator from North Carolina yield for a moment so I may respond to the Senator from Vermont?

Mr. HELMS. Let me yield the floor with the understanding that I will retain the floor when the Senators are finished talking.

Mrs. KASSEBAUM. I would like to say to the Senator from Vermont that we did not start on this piece of legislation, the major higher education reauthorization, until 2:30. Senator PELL and myself were ready to go to third reading about 2 hours ago. We have had a time getting everybody to come to the floor with amendments, not that Senator HELMS has been dilatory at all. There have been others, as we well know. It sometimes is very difficult to get people to the floor.

My assumption is that we can finish this legislation this evening.

Mr. LEAHY. Mr. President, is there any chance, I might ask the distinguished Republican floor leader, if people get their amendments down, that we vote them en bloc and get on to third reading? I only say that semifacetiously. I do know the distinguished floor managers have been here since 2:30. We have had a number of quorum calls. It is not their fault. They were prepared to go to third reading. We spent 5 hours here. I realize it is supposed to be a late night. Sometimes we create late nights ourselves

by not having any votes. All of us have been here. I know I have been here since around 7:30, 8 o'clock this morning. Most of us have been here throughout the day, prepared to vote at any time during the day.

We do end up, I say to my colleagues, with what is a Dracula rule of legislation. Last year, I guess more than half, probably three-quarters, of all votes were after dark and three-quarters of all quorum calls were during daylight hours. I wonder if there is some way we could get around to doing it the other way around. We have to be here for votes and quorum calls. Let the quorum calls be at night so everybody can be with their spouses, children, and families and have the votes during the day. It would be a novel idea. It would sure make a lot of family lives a lot better.

Mr. PELL. I appreciate very much—will the Senator yield—what the Senator has said, and I know the majority leader has made every effort he can to keep that rule he had of not after 7 on Tuesdays and Wednesdays, and Thursday a late night, Friday hopefully out by 3.

Mr. LEAHY. If the Senator will yield on that, in my 18 years here I have not seen anybody—and we have had some distinguished, superb majority leaders—I have never seen a majority leader who has worked harder at giving us a good schedule, one that we could count on, than the present majority leader. But I also say and I know that, having managed a number of bills here myself, I share the exasperation of the managers. Maybe at some point, if we go more than 5 minutes in a quorum call and nobody is willing to show up, we will have it so that it is automatic that we go to third reading after unanimous consent.

Mrs. KASSEBAUM. Mr. President, if I may suggest, I think that we are very close. There has been a lot of work done and, if we can get some agreement, perhaps, for either a time certain for a vote tonight, or tomorrow. But I think that we are very close. There is not a lot outstanding.

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized, though the Senator from North Carolina retains the right to the floor on the completion of this dialog.

Mr. KENNEDY. Mr. President, could I reaffirm what the Senator from Rhode Island and Senator KASSEBAUM have said. This is one of the major pieces of legislation that this body is going to consider.

If we had thought this morning when we took it up that we would have made the kind of progress that we have made, I would have been enormously surprised. But we have made very, very significant progress during the course of the day. This is important legislation. It is the lifeline for every young American student in this country.

We are trying to work with a number of our colleagues, who are very, very interested in this legislation and know its importance, to try to work through various, different amendments. I must say that during the course of the day there has been a very constructive attitude on all sides to try to find common ground.

So I very much appreciate the sentiment of those who would like to move along, but we have made very substantial progress. We have had a good opportunity to work with the Secretary of Education, who has spent the better part of the afternoon up here, Lamar Alexander, and he has been working with those on both sides of the aisle. We have been making very important progress.

So I hear what our good friend is saying, but I certainly hope, as we are continuing to make the good progress, that we would continue to do so.

There has been resolution of at least 12 different amendments of different Members over the period of the last several hours.

The hotline was put out on both sides of the aisle that threw out a number of different amendments that Members were considering. I say the great percent of those have been resolved, but there are still a couple of important items that are left for resolution.

But we are making very good and continuing progress. I think all of us have been around here long enough to know, if we leave this legislation out over any considerable period of time, what resourceful and enterprising Senators and their staffs can do with it.

So I hope we will continue to try to make the kind of progress that we have.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. HELMS. Mr. President, let me point out a couple of things, and this, too, will appear in conjunction with the remarks just made.

The Senate was in recess Monday. We did very little Tuesday. This morning we came in at 11 o'clock. The Senate was in a mandatory period of inactivity while there was a caucus going on for about an hour and a half. I do not know when we are expected to offer amendments. Of course, I would like to go home to Dot Helms, but you do what you can when you can.

I apologize for having been put in the position of waiting for people to talk about JOHN GLENN, and I admire JOHN GLENN as much as anybody in this Senate. I remember well when he made that flight around the world. But when are we supposed to do our work? Right now I am told that there are two dozen Senators attending fund raisers all over town, and to hold the vote. Well, I will do whatever I can, but I think this abuse of the taxpayers' money ought to be considered.

I will make this bargain with the managers of the bill. I will not even re-

quire a rollcall vote, if they will accept this amendment. I will put the rest of my statement in the RECORD. And we would go home, or whatever.

The PRESIDING OFFICER. The question has been addressed to the manager.

Mr. PELL. I did not hear the question.

Mr. HELMS. How much does the Senator want me to repeat?

Mr. PELL. I understand that the question was if we would accept a voice vote.

Mr. HELMS. I have just finished a little discourse in which I pointed out that the Senate was not even in session Monday, that the Senate was out all last week on recess. We did very little on Tuesday, as I recall. We did not even start until 11 o'clock this morning, an hour and a half was taken out this afternoon so one of the parties could have a caucus, or whatever you call it. And then I hear the complaint, "I want to go home and be with family."

So do I. I just offer the proposition that if the managers of the bill will accept this amendment, I will stop my dissertation, put the rest of it in the RECORD and we could be through with it.

Mrs. KASSEBAUM. Mr. President, yes, I had understood the Senator from North Carolina had mentioned earlier he would accept a voice vote, and if not that, a rollcall vote. I think there is general agreement to have a voice vote.

Mr. HELMS. There is a difference in what the Senator said and what I say; I say to my good friend from Kansas, if the managers will accept the amendment, agree to it with voice vote, and not have a rollcall vote, I would be willing to do that.

Mrs. KASSEBAUM. I think that there was a request made for a change in some language so that it would be the same language as had been voted on previously; is that correct? So I am going to have to ask that somebody check that out. It was not my request.

Mr. HELMS. If the Senator will forgive me, I will check.

Mr. President, so that we may be able to work this out, I ask unanimous consent that I be recognized after a brief quorum call is called off.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. HELMS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. Mr. President, a miracle occurred. We reached an accommoda-

tion. I believe that the managers of the bill, and others, are prepared to accept this amendment.

Mr. PELL. Mr. President, the Senator from North Carolina is correct. On behalf of this side of the aisle, we accept the amendment.

Mrs. KASSEBAUM. Mr. President, we also accept the amendment.

Mr. HELMS. I thank the distinguished managers of the bill.

I yield the floor.

The PRESIDING OFFICER. Is there further debate?

The question is on agreeing to the amendment.

The amendment (No. 1653) was agreed to.

Mr. HELMS. Mr. President, I move to reconsider the vote.

Mrs. KASSEBAUM. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. FORD. Mr. President, while the distinguished Senator from North Carolina is on the floor, he made the remark a few moments ago that nobody wanted to do anything, and we were off Monday, last week, and that sort of thing.

We went through that the week before last, I thought, with the procedure of the Senate. We canceled the March district work or State work period. We passed in this session of the 102d Congress, so far, probably the largest package of major bills that we have passed in a short period of time.

The Senator from North Carolina has been receiving requests not to have a vote, hold off, do not do anything because they are downtown trying to have fundraisers. That indicates we ought to have campaign finance reform, so they would be here working.

The Senator from North Carolina is being asked the same questions and having the pressure put on him that the minority leader and the majority leader has. If you look at the RECORD, we have had more votes with a higher percentage of attendance, and the Senator excluded the comprehensive energy bill that we passed last night, probably the largest. The Senator skipped over that right quick. Only 11 votes, about 70 amendments, got them worked out, took us some time, but that is the procedure here.

I just did not want to leave the impression that the people were not working, that we were not trying to accomplish things. We did pass the elementary and secondary education bill, the energy bill, and other bills that have been important. So I did not want the impression to be left that the two leaders, majority leader and the minority leader, somehow were not causing the Senate to function. There is work going on right now. Amendments are being worked on and a package of amendments are to be accepted tonight. I think we are doing well. I

wanted to defend both sides, the Senator from Kansas and from Rhode Island, for the work they are doing.

Mr. HELMS. Mr. President, there is no Member of the Senate whom I enjoy more or like better than the Senator from Kentucky, and I am sorry I pulled the chain. I apologize.

Mr. FORD. Mr. President, as long as that is in the RECORD, I accept it.

Mr. HELMS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. SIMON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. FORD). Without objection, it is so ordered.

Mr. SIMON. Mr. President, I ask unanimous consent that I may proceed as if in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### ZAIRE

Mr. SIMON. Mr. President, at the conclusion of my remarks I will ask that a letter addressed to Senator NANCY KASSEBAUM and to me be printed in the RECORD. It is a letter written by Dr. William Close from Wyoming who was the personal physician to President Mobutu of Zaire.

Zaire is undergoing great stress right now. Sunday people left church after Sunday services, marched peacefully in the capital city to request that President Mobutu call a national assembly so they can move to democratic government. The troops opened fire on them. The exact number of people who were killed no one seems to know. But it is somewhere between 40 and 70 people that were killed and hundreds injured.

Senator KASSEBAUM and I have both requested of the administration that they make clear that they do not support President Mobutu and his dictatorship in Zaire. Unfortunately, the White House, for reasons I partially understand, is reluctant to move away from the ties that they have had with President Mobutu.

And the reason I think they are doing it, candidly, is something that the Presiding Officer and all of us in politics understand. Here is someone who has been helpful to us in the past. But I would use this analogy for the White House: If someone worked in the Bush campaign and you got that person in the White House, and then you discovered that person had embezzled funds, you do not say we do not want to turn our backs on a friend. You get rid of that person.

In this case, what Mobutu has done is No. 1, he has massively embezzled funds and No. 2, he is turning his back



on democracy for the people of Zaire. I think we have to make clear under those circumstances we have to turn our back on President Mobutu.

Mr. President, let me just mention one sentence here. Dr. Close says:

How much more blood will have to flow before Washington dares to tell Mobutu that he no longer has our support?

I think we ought to make that clear.

Mr. President, I ask unanimous consent to print that letter from Dr. Close in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

MARBLETON, WY,  
February 20, 1992.

Senator PAUL SIMON,  
Senator NANCY KASSEBAUM,  
U.S. Senate, Washington, DC.

DEAR SENATORS: Five days ago somewhere between 40 and 69 people were shot dead by President Mobutu's troops in Kinshasa as they left church services and marched in a peaceful demonstration. They were demanding the resumption of the Sovereign National Conference. Those brutalized by Mr. Mobutu's army will not be encouraged by the pap offered by the Republican Administration in response to the killings. After pointing out that it considered the "military reaction entirely without justification," the State Department, through its spokesman, wagged a finger at "the authorities" in Zaire, urging them, yet again, "to reconvene a national conference and conduct itself in a manner consistent with their protestation of democratic values."

Washington's messages "deploring" his actions, or the actions of his troops are as ineffective as ever. Mobutu, "floating somewhere on his boat," continues to thumb his nose at the American administration and the world. White House proclamations in defense of human rights and support of democracy must ring hollow to the families of those killed and beaten by soldiers of Mr. Bush's friend Mobutu.

The Zairian people's active opposition to Mobutu will not stop. Three days from now, on Sunday the 23rd of February, there will be funeral services for those killed. Processions to the cemeteries are bound to follow.

How much blood will have to flow before Washington dares to tell Mobutu that he no longer has our support? The Republican Administration seems oblivious or indifferent to the mounting bitterness toward the United States expressed more and more openly by the people of Zaire and many in Europe. Questions about the relationship between Bush and Mobutu are being raised more frequently in the foreign press. Why is the Administration apparently more frightened of Mobutu than are the thousands of Zairians who have the courage to face his guns? Cynicism dampens hope that, with Mr. Bush's electoral problems, American leadership in disavowing the West's old cold war ally will be forthcoming.

Respectfully,

WILLIAM T. CLOSE, M.D.

#### SOUTH AFRICA

Mr. SIMON. Mr. President, one other item on Africa. Today, President de Klerk of South Africa announced that he would have a referendum for whites only whether they should go ahead and

continue negotiations. It is a bold move and he has done some very bold things.

I have serious concerns about that. If, for example, in that referendum, the majority of whites say "We do not want to continue negotiations," I do not know what is going to happen in South Africa. I think South Africa would be headed for a major, major explosion. I hope he is successful. I heard my colleague, Senator KASSEBAUM, praise President de Klerk earlier for the courageous moves that he has made—and he has been very courageous, no question about it. I want to see those negotiations continue. Extremists in both the black community and the white community are opposed to the negotiations. I think it is extremely important that those negotiations continue.

And let me add, I think, prior to that announcement today, President Bush announced that South Africa could once again get loans through the Eximbank here. In view of the announcement that has just been made and the fact that the referendum is going to be held next month, I hope that the administration would suspend that action until after that referendum, at least. We ought to do everything we can to facilitate a smooth transition to a genuine democracy in South Africa where everyone—whites, blacks, coloreds, everyone—can participate.

I hope that election turns out as President de Klerk wants. I have great concerns in the action taken.

Mr. President, if no one seeks the floor, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. BRYAN). The absence of a quorum having been suggested, the clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. KENNEDY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### HIGHER EDUCATION AMENDMENTS OF 1991

The Senate continued with the consideration of the bill.

Mr. KENNEDY. Mr. President, just to give a progress report, I think that, quite frankly, we are remarkably close to final passage. There are probably three amendments that are outstanding. I believe that they can be worked out in a timely fashion. I know there is an urgency and people want to be able to make their plans. I hope, at least, we would be able to inform the Members within the next 15 minutes about what the prospects would be, but I think there is a very good chance that we would have final passage in the very near future.

I want to thank again all of the Members for their cooperation in pursuing the final list that has been made up on both sides of the aisle. I believe that we are very, very close to the conclusion. I will have some brief remarks about one particular part of the legislation in just a few moments, but I do think we are remarkably close to a final conclusion.

Mr. SIMON addressed the Chair.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. SIMON. Mr. President, let me just make a comment on one aspect of this that I thought we were getting an amendment worked out. We have run into some complications, and we may have to amend a bill that comes from the Finance Committee very soon. I want to commend Senator KENNEDY, Senator PELL, and our Republican counterparts on this, and particularly let me also commend Senator BRADLEY and Senator DURENBERGER for their work on this.

What we want to do is to have an opportunity for more people to go to college and, at the same time, cut down on the student loan defaults which this next fiscal year will be between \$3.2 and \$3.4 billion. We think we have something that can both save money and increase opportunity through a direct loan program and through a phase-in on that.

I think it is extremely important that we get this worked out, and I understand that there are some concerns on this, in terms of the mechanism and how we get this worked out, by the distinguished President pro tempore, who chairs the Appropriations Committee. My instinct is we can get that worked out in the next couple of weeks before we get the Finance Committee bill.

Again, we have an opportunity to make a very substantial step forward if we can get this worked out. It will not be part of this bill apparently unless something happens in the next few minutes.

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I join the Senator from Illinois in expressing my appreciation to Senator DURENBERGER and to Senator BRADLEY and to others in raising the whole issue of scarce resources, trying to find additional ways of helping and assisting students of middle-income families to attend colleges and universities. As he pointed out, the explosion in the cost of tuition in higher education has increasingly squeezed out the dream of young people being able to go on to college in this country.

We reviewed in the committee itself a direct loan proposal that was advanced by Senator SIMON and Senator DURENBERGER. We have considered in the full committee a variety of different ways of addressing direct loans.

We would have a pilot program or project in addition to the guaranteed student loan program. There have been a number of different proposals that have been brought forward.

I had the opportunity of introducing legislation along that line in 1978 that had been developed at Boston University by Dr. Silber, which had a percent of income into the future. Those who were more fortunate to make additional resources would pay into the fund, and this would be a fund that would be self-perpetuating and offer new opportunities for children down the line.

We have looked at that and we have looked at a very interesting proposal by Senator BRADLEY of New Jersey, who has a different approach in terms of the direct loan, using the full faith and credit of the United States, getting the money through the university out to the students and having collection through the IRS. I know he feels very strongly. We have been working with him over the past few days.

I want to give assurance to the Members that we will be addressing this concept, hopefully, in the very near future. But I wanted to express our appreciation for all the cooperation of Senator SIMON and Senator PELL who, as I mentioned earlier in the day, is our leader in these higher education matters, along with Senator KASSEBAUM and others.

I yield the floor.

Mr. PELL. Mr. President, I wish to thank very much the Senator from Illinois and the Senator from New Jersey for not putting this excellent concept on this particular bill. I look forward to working with them on other bills in the future.

I know that we all join together in recognizing, as we talk about defense, the real strength of our Nation is the sum total of education, the health and the character of our people, and that is what we are working on tonight.

Mr. SIMON. Mr. President, it is with reluctance we are not putting it on this bill. I know Senator PELL understands that.

Let me just add we are building on a foundation that was started by Senator KENNEDY in 1978 with his bill. This is modified, but it does precisely what Senator KENNEDY said. It makes assistance eligible to middle-income families who are not eligible now at all and it makes it income contingent. So unlike the guaranteed student loan, you pay back—there is an area that is exempt, basically poverty level, and above that you payback. If you make a lot more money, you pay back more rapidly; if you do not, you pay back a little later.

But we will be revisiting this in a few weeks, I hope, on the Senate floor and I hope we can move ahead. I am grateful to all of my colleagues.

Mr. KENNEDY. Mr. President, I ask unanimous consent that the bill be printed as passed, when it is passed.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

#### AMENDMENT NO. 1654

(Purpose: To restrict the authority of the Student Loan Marketing Association with respect to certain housing and medical facilities transactions)

Mr. FORD. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Kentucky [Mr. FORD] proposes an amendment numbered 1654.

Mr. FORD. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 197, strike lines 6 through 22, and insert in lieu thereof the following:

(2) by striking out subparagraph (C) of subsection (d)(1) and inserting in lieu thereof the following new subparagraph:

“(C)(1) to buy, sell, hold, insure, underwrite, and otherwise deal in obligations issued for the purpose of financing or refinancing the construction, reconstruction, renovation, improvement or purchase (including the underlying property) of—

“(I) educational and training facilities;

“(II)(aa) housing for students and faculties;

“(III) academic, research, and library facilities, including the acquisition of library materials; and

“(IV) related equipment, instrumentation, and furnishings;

except that not more than 30 percent of the value of transactions entered into under this clause shall involve transactions solely of the type described in subclause (II);”;

Mr. FORD. Mr. President, I thank my distinguished colleague and friend, Senator PELL, for agreeing to accept my amendment regarding Sallie Mae construction loans.

Under current law, Sallie Mae, or the Student Loan Marketing Association, is federally chartered to fund construction and renovation of higher education facilities, including student and faculty housing, academic and training facilities, and infrastructure needs. The committee reported bill limited that authority with respect to housing facilities, and potentially with respect to infrastructure projects.

With an estimated \$60 billion of unmet capital renewal and replacement needs at our Nation's colleges and universities, I fully understand the legitimate concerns of the committee that available resources should be first targeted at those academic and educational needs. However, I was concerned that the committee language did not recognize the significant infrastructure and housing needs reflected in that \$60 billion total.

Over the last several months, I have been contacted by most, if not all, of Kentucky's institutions of higher education concerning this provision and the potential impact it may have on

the ability of our schools to finance much needed construction and renovation. This provision would hit Kentucky's independent colleges and universities particularly hard.

For example, Georgetown College, Midway College, and Bellarmine College have all recently been able to fund construction and renovation projects with the help of Sallie Mae financing. Several years ago, the University of Kentucky, the University of Louisville, and several other State universities combined to refinance \$41.4 million in housing construction costs. This project would not have been allowed under the committee language.

My amendment balances the concerns of the committee for targeted funding with the legitimate financing needs of Kentucky's colleges and universities. Under my amendment, Sallie Mae will continue to be able to fund infrastructure and housing needs. Total funding for projects involving financing of solely housing needs will be capped, however, at 30 percent of the total transactions.

I thank my colleague, the distinguished and able chairman of the Education, Arts, and Humanities Subcommittee, Senator PELL, for his most gracious accommodation of my concerns and the needs of Kentucky institutions. I commend him for his leadership in higher education, and thank him and his staff for their assistance.

Mr. President, I understand that this amendment has been agreed to on both sides. I thank my distinguished colleague and friend, Senator PELL, and Senator, KASSEBAUM, for accepting my amendment.

Mr. PELL. Mr. President, it is an excellent amendment and we are very glad indeed to support it.

Mr. MCCONNELL. Mr. President, I rise today as a cosponsor of the amendment offered by the senior Senator from Kentucky. I want to take a few moments to comment on its importance to educational institutions and to our Nation's students.

S. 1150 currently restricts the authority of the Student Loan Marketing Association [Sallie Mae] to provide financing for facility improvements on college and university campuses. While Sallie Mae is authorized to finance academic, research and library facilities, under this bill it is prohibited from financing student housing, student centers, and maintenance and support functions.

What this means, Mr. President, is that eligible institutions will be forced to seek financing elsewhere—perhaps at greater costs. If financing is unavailable, affected colleges and universities will surely experience a deterioration in their campus infrastructures.

My colleagues should understand that funds for Sallie Mae's debt financing are private capital and do not impact the Federal budget. Further, Sal-



lie Mae is in the process of expanding its financing capabilities to additional colleges and universities, and in restricting its authority, Congress does not increase available funds for academic, research and library facilities.

A letter I recently received from the president of Midway College in Midway, KY, aptly describes the view many institutions have of the restrictive provisions in S. 1150. Dr. Robert Botkin wrote:

It is generally much easier for Midway College to raise private donations to support academic research, and library facilities than it is to meet housing and other infrastructure needs. Donors are not particularly interested in having a power plant named in their honor. Therefore, we rely much more heavily on debt financing for these latter types of facilities.

The amendment before us simply restores the authority to Sallie Mae to finance student housing, student centers, and maintenance and support functions. The bottom line is our students stand to lose if these restricting provisions are left in S. 1150.

I urge my colleagues to support this amendment.

**THE PRESIDING OFFICER.** Is there further debate on amendment No. 1654 offered by the Senator from Kentucky [Mr. FORD]?

The amendment (No. 1654) was agreed to.

**Mr. FORD.** I move to reconsider the vote.

**Mr. PELL.** I move to lay that motion on the table.

The motion to lay on the table was agreed to.

**Mr. FORD.** Mr. President, I ask unanimous consent that my colleague from Kentucky, Senator MCCONNELL, be added as a cosponsor.

**THE PRESIDING OFFICER.** Without objection, it is so ordered.

**Mr. FORD.** I thank the Chair.

**Mr. BUMPERS.** Mr. President, I would like to engage the Senator from Massachusetts in just a short colloquy and later on will introduce a statement, depending on the responses.

The other day in the caucus when I looked at the summary of this bill, there was a provision in it dealing with teacher academies. The purpose of teacher academies is to provide teaches the opportunity to take crash courses in various subjects during the summer months, patterned to some extent after the seminars that are conducted every summer by the National Endowment for the Humanities.

It is a program for which I have been able to get increased funding each of the last 2 years, but it is also a program that ought to be funded, if the budget constraints were not so dire, so that every schoolteacher in the country who wanted, had a chance to attend a seminar each summer.

I saw this summary in the caucus the other day which said that this bill provides for summer academies and a host

of courses: math, English, history, various other things, not just the humanities, but also math and science.

I wonder if the Senator from Massachusetts could give a brief description of how those academies are going to work, how the money is going to be dispersed and who is going to disperse it.

**Mr. KENNEDY.** The Senator is correct. We have seen over the course of the hearings that it is extremely useful to offer opportunities for teachers to upgrade their own skills, particularly in teaching new curriculum and utilizing new methods and new technologies.

There have been successful programs in the summer but also during the course of the year.

Dade County, FL, for example, has a continuing education of high school teachers. It is one of the few school districts in the country that as a matter of policy has a continuing education program, which has been very successful, and has been one of the leading factors in the general superintendent of Dade County saying that prior to that time they were choosing teachers, 1 out of 2, to work in Dade County, and moving to 1 out of 7. Many of the teachers want to be upgraded, and they saw this challenge.

Those that are going to be in the State, the funding will go through the State; State funding and support for the various State academies and down from the State into the local school districts. National districts will be funded directly out of the Secretary's office.

**Mr. BUMPERS.** Could the Senator tell me if there is any prohibition against another teacher attending a seminar in English or history? This is very important to me. I forget; I think there are seven different subjects that these summer academies will cover. Normally you would expect a math teacher to go to a summer academy dealing only with math to improve her skills in the subject she teaches.

As the Senator and the distinguished chairman of the committee knows, I have been working on this now for about 5 years. As I say, my bill just dealt with the humanities: literature, philosophy, history. This bill, of course, provides these various subjects. But my point is, one of the reasons for my bill in the first place was to provide training for teachers of math and science to also get schooled in the Constitution of the United States and citizenship and history.

So my question is this: is there any prohibition in the bill, or does the Senator intend there to be a prohibition, against math teachers going to a summer academy that deals with English, or literature, or philosophy, or any of the other courses?

**Mr. KENNEDY.** The answer is they can, and will, and there is nothing in the legislation that will prohibit it.

Let me just say along the lines of the Senator's earlier remarks, as the author of the Madison Fellowship Program with ORRIN HATCH, it is a different program not associated with this, to take outstanding schoolteachers, two in each State, and have them teach constitutional studies to high school teachers in the States. This came out of the Bicentennial Commission, which both Senator HATCH and I were on.

It is tragic that in high schools in this country we do not have the kind of attention given to constitutional studies until very late in some high schools, and of course in some colleges. But there is nothing in the legislation that prohibits the opportunities for the training in those particular subjects.

We have given the emphasis to the areas which the Senator has identified in terms of math and science. What we have tried to do in the areas of math and science is to tie these teaching academies together with the math and science legislation which we just passed last year, with the National Science Foundation which created additional graduate fellows, and to give that an emphasis on the math and science programs.

We have tried to make these work together, but there is no prohibition at all in terms of the broader subjects that the Senator has mentioned. We would certainly encourage them to do so.

I see the chairman of the Education Committee wanted to make additional comments on that.

**Mr. PELL.** Mr. President, one further point, when the NEH [the National Endowment for Humanities] was set up originally, in all of these education philosophies, the idea has always been to have as much cross-fertilization as possible, without having the math major off in one corner and the English major off in another corner. I think this legislation moves further in the direction of cross-fertilization.

**Mr. BUMPERS.** I certainly endorse the idea of a math teacher improving his or her mathematics skills and his ability to communicate in his subject. But I also feel, and my feelings are justified by the voting patterns in this country, that we are seriously deficient at the secondary level in this country in teaching ordinary citizenship, the Constitution, and teaching youngsters not just about the rights that are given them under the Constitution but also their duties. And I also think history, political science, literature courses are critical to the well-rounded student.

So I am going to monitor the Teacher Academy Program as carefully to make sure that the question I asked a moment ago is answered. I am not sure quite yet what the answer is. I think Senator KENNEDY has given me sufficient assurance, but I am going to be monitoring this to make sure that even

at the State level, where the applications are going to be made, that nobody is barred from attending a summer academy because they are into a different discipline from the one they are teaching.

It is like sort of in the family. We are a product of what we hear in the home. Even though a math teacher is essentially teaching math, I think it is important that she or he have the ability just in the course of classroom time to pass off general information about other subjects just as our parents do in the household.

So as I say, I want to make sure that all teachers get a chance to upgrade their skills, not just in the particular discipline they are teaching but also others. I feel strongly that we have been terribly remiss in the teaching of the humanities in this country, and it is one of the reasons citizenship has declined to one of the lowest levels in the history of the country. It is dangerous, and it is proceeding apace.

The Senator knows we worked for a long time trying to work out a proposal 2 years ago, and never did get it done. I am very pleased that S. 1150 includes the comprehensive teacher academy proposal.

I am not going to offer an amendment to the bill because my staff said the bill comes close enough to what I have been trying to do for 5 years that it would be unjustified to try to tinker with it at this time.

But I am going to be monitoring as closely as I can to make sure that it fairly comes into compliance with the humanities bill that I have introduced here now for about 5 years running.

Mr. PELL. I thank the Senator.

Mr. BUMPERS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### AMENDMENT NOS. 1655-1658

Mr. DOLE. Mr. President, I have four amendments. They have all been cleared, and I ask that they be considered en bloc. I send them to the desk and ask for their immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Kansas [Mr. DOLE] proposes amendments en bloc numbered 1655 through 1658.

Mr. DOLE. Mr. President, I ask unanimous consent that reading of the amendments be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments are as follows:

#### AMENDMENT No. 1655

(Purpose: To establish a definition of disability)

On page 564, strike lines 8 and 9 and insert the following: by adding at the end the following new subsections:

"(1) **DISABILITY.**—The term 'disability' has the meaning given the term in section 3(2) of the Americans with Disabilities Act of 1990 (42 U.S.C. 12102(2)).

"(j) **STATE HIGHER EDUCATION AGENCY.**—The term

#### AMENDMENT No. 1656

(Purpose: To add services related to problems faced by individuals with disabilities to authorized activities)

On page 561, between lines 3 and 4, insert the following:

"(13)(A) Problems faced by individuals with disabilities regarding accessibility to institutions of higher education and other public and private community facilities.

"(B) Amelioration of existing attitudinal barriers that prevent full inclusion by individuals with disabilities with their community.

#### AMENDMENT No. 1657

(Purpose: To establish a definition of personal assistance)

Beginning on page 241, strike line 20 and all that follows through page 242, line 3, and insert the following:

(a) **IN GENERAL.**—Section 472 of the Act (20 U.S.C. 108711) is amended—

(1) in the matter preceding paragraph (1) by inserting "(a) **DEFINITION OF COST OF ATTENDANCE.**—" before "For the purpose";

(2) in subsection (a) (as so designated by paragraph (1))—

(A) in the matter preceding paragraph (1) by striking "except for subpart 1 of part A and";

(B) in paragraph (6), by striking "in an academic program which normally includes a formal program of study abroad" and inserting "in a program of study abroad approved for credit by the student's home institution"; and

(C) in paragraph (8)—

(i) by striking "handicapped student" and inserting "student with a disability"; and

(ii) by inserting "personal assistance," after "services,"; and

(3) by adding at the end the following new subsection:

"(b) **DEFINITION OF PERSONAL ASSISTANCE.**—As used in subsection (a), the term 'personal assistance' means assistance by a person to an individual with tasks that the individual would typically do if the individual did not have a disability and that are necessary to enable the individual with a disability to participate fully in postsecondary opportunities, including assisting the individual with major life activities."

#### AMENDMENT No. 1658

(Purpose: To establish faculty development grants)

On page 396, between lines 2 and 3, insert the following:

"Subpart 3—Faculty Development Grants

"SEC. 567. **TRAINING GRANTS.**

"(a) **GRANTS AUTHORIZED.**—The Secretary is authorized to award grants to institutions of higher education to enable such institutions to—

"(1) develop model programs that provide training to secondary school faculty to prepare students with disabilities for postsecondary educational opportunities; and

"(2) establish programs of faculty development for faculty who teach in an institution of higher education to prepare such faculty for the enrollment of students with disabilities at such institution.

"(b) **USE OF GRANTS.**—The grants described in subsection (a) may be used to—

"(1) provide scholarships, including stipends and allowances, to faculty described in paragraph (1) or (2) of subsection (a);

"(2) develop materials and inservice programs to assist such faculty in making the curriculum at an institution of higher education accessible to students with disabilities; and

"(3) provide funds to support the release of such faculty from teaching assignments for the purpose of educating such faculty regarding the needs of students with disabilities.

"(c) **SPECIAL RULES.**—The Secretary shall ensure that grants awarded under subsection (a)(1) are used for programs that are in compliance with State and professionally recognized standards for the training of special education personnel.

"(d) **APPLICATION.**—Each institution of higher education desiring a grant under this section shall an application to the Secretary at such time, in such manner and accompanied by such information as the Secretary may reasonably require.

"(e) **AUTHORIZATION OF APPROPRIATIONS.**—There are authorized to be appropriated to carry out this subpart \$15,000,000 for fiscal year 1993 and such sums as may be necessary for each of the 4 succeeding fiscal years.

Mr. DOLE. Mr. President, having a stable and rewarding job is a basic component of the American dream and access to postsecondary education makes that dream a reality. For too many years the dream has been out of reach for millions of Americans with disabilities. In fact, a growing awareness of the problems faced by Americans with disabilities led this body to pass the Americans With Disabilities Act [ADA]. By signing the ADA on July 26, 1990, President Bush established a new national policy of equal opportunity for every American. The amendments I offer today apply the principle of equal opportunity guaranteed by the ADA to higher education.

I am pleased to have worked with Representative STEVE GUNDERSON and members of the Senate Subcommittee on Education in ensuring that postsecondary opportunities for students with disabilities are available. The amendments included in today's bill address the needs of students with disabilities wishing to pursue postsecondary opportunities. This is part of a larger effort to review all our Federal policies in making sure that programs are accessible to people with disabilities. Despite the efforts to encourage postsecondary institutions to expand and improve access for students with disabilities, there remains room for improvement.

The percentage of students with disabilities receiving high school diplomas is below the national average. Students with disabilities are less likely to participate in postsecondary education than any other group of Americans. The reasons for this are complex,



but undoubtedly, lack of physical access, lack of needed support services, lack of properly trained faculty, and lack of adequate financial support to cover extraordinary costs associated with having a disability contributes to this low participation rate. We must provide incentives to make postsecondary programs accessible to students with disabilities.

The amendments I offer today are in addition to the disability amendments included in the committee package. My amendments provide for: First, grants to assist faculty in institutions of higher education learn to make the accommodations necessary to ensure that students with disabilities have equal educational opportunities; second, inclusion of a definition of "personal assistance services" for students with disabilities; third, an allowance for support services, as well as access to work-study programs for students with disabilities; fourth, an added provision to title XI to rectify problems faced by students with disabilities regarding accessibility, and in eliminating attitudinal barriers that have impeded access.

The technical ingenuity and generous spirit of American education and business tell me that the promise of the ADA, and the dreams of Americans with disabilities can be realized. For many students with disabilities, as with students in general, a college education becomes the first step toward independence, a career, financial security, and self-sustenance. Moreover, the extrinsic gains to be made through higher education for individuals with disabilities, include higher salaries, lower unemployment rates, and better job prospects. College is an important time of growth and development, a time of transition from dependence to independence. By creating opportunities for students with disabilities to continue a program of education after secondary school we improve the prospects for gainful employment and independent living. The amendments I propose today take another step in this direction.

I thank my colleague from Kansas, Senator KASSEBAUM, and my colleagues on the other side of the aisle, Senator PELL and Senator KENNEDY, for clearing these amendments at this time.

The PRESIDING OFFICER (Mr. WOFFORD). Is there further debate on the amendments to be considered en bloc offered by the Republican leader, being amendments numbered 1655 through 1658?

There being no further debate, without objection, the amendments offered by the Republican leader en bloc are agreed to.

So, the amendments (No. 1655 through No. 1658) were agreed to.

Mr. DOLE. Mr. President, I move to reconsider the vote.

Mr. FORD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from New Jersey [Mr. LAUTENBERG] is recognized.

#### AMENDMENT NO. 1659

(Purpose: To establish a National Commission on Containing College Costs, to increase the amount of information available to students regarding the tuition and administrative costs of institutions of higher education, and to award resource sharing grants)

Mr. LAUTENBERG. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from New Jersey [Mr. LAUTENBERG] for himself and Mr. LEAHY, proposes an amendment numbered 1659.

Mr. LAUTENBERG. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill, add the following new titles:

#### TITLE XVI—NATIONAL COMMISSION ON THE COST OF HIGHER EDUCATION

##### SEC. 1601. ESTABLISHMENT OF COMMISSION.

There is established a Commission to be known as the "National Commission on the Cost of Higher Education" (hereafter in this title referred to as the "Commission").

##### SEC. 1602. MEMBERSHIP OF COMMISSION.

(a) APPOINTMENT.—The Commission shall be composed of 12 members as follows:

(1) Four citizens of the United States appointed by the President.

(2) Two Senators appointed by the Majority Leader of the Senate of which—

(A) one shall be a member of the Committee on Labor and Human Resources of the Senate; and

(B) one shall be a member of the Committee on Appropriations of the Senate.

(3) Two Senators appointed by the Minority Leader of the Senate, of which—

(A) one shall be a member of the Committee on Labor and Human Resources of the Senate; and

(B) one shall be a member of the Committee on Appropriations of the Senate.

(4) Two Members of the House of Representatives appointed by the Speaker of the House of Representatives, of which—

(A) one shall be a member of the Committee on Education and Labor of the House of Representatives; and

(B) one shall be a member of the Committee on Appropriations of the House of Representatives.

(5) Two Members of the House of Representatives appointed by the Minority Leader of the House of Representatives, of which—

(A) one shall be a member of the Committee on Education and Labor of the House of Representatives; and

(B) one shall be a member of the Committee on Appropriations of the House of Representatives.

##### (b) ADDITIONAL QUALIFICATIONS.—

(1) PRESIDENTIAL APPOINTEES.—An individual appointed under subsection (a)(2) may not be an officer or an employee of the Executive Branch.

(2) CITIZENS.—Individuals who are not Members of the Congress and are appointed under paragraphs (3) through (6) of subsection (a) shall be individuals who—

(A) have extensive knowledge of higher education and its financing and who are leaders of the education community, distinguished academics, State or local government officials, students, parents of college students, members of the business community, or other individuals with distinctive qualifications or experience; and

(B) are not officers or employees of the United States.

(c) CHAIRPERSON AND VICE CHAIRPERSON.—The members of the Commission shall elect a Chairman and a Vice Chairperson. In the absence of the Chairperson, the Vice Chairperson will assume the duties of the Chairperson.

(d) QUORUM.—A majority of the members of the Commission shall constitute a quorum for the transaction of business.

(e) APPOINTMENTS.—All appointments under subsection (a) shall be made within 3 months after the date of enactment of this Act.

(f) VOTING.—Each member of the Commission shall be entitled to one vote, which shall be equal to the vote of every other member of the Commission.

(g) VACANCIES.—Any vacancy on the Commission shall not affect its powers, but shall be filled in the manner in which the original appointment was made.

(h) PROHIBITION OF ADDITIONAL PAY.—Members of the Commission shall receive no additional pay, allowances, or benefits by reason of their service on the Commission. Members appointed from among private citizens of the United States may be allowed travel expenses, including per diem, in lieu of subsistence, as authorized by law for persons serving intermittently in the government service to the extent funds are available for such expenses.

##### SEC. 1603. FUNCTIONS OF COMMISSION.

(A) SPECIFIC FINDINGS AND RECOMMENDATIONS.—The Commission shall study and make findings and specific recommendations regarding the following:

(1) The increase in tuition costs compared with other commodities and services as well as methods of reducing increased tuition costs.

(2) Trends in college and university administrative costs as well as other costs and means of reducing such increased costs.

(3) The development of a standardized annual report that colleges and universities shall distribute which details the administrative costs, instructional costs and capital costs of such colleges and universities in order to carry out section 1701.

(4) The extent to which Federal, State and local regulations contribute to increased tuition costs and the increase in the cost of higher education.

(5) The establishment of a mechanism for a more timely and widespread distribution of data on tuition trends and other costs of operating colleges and universities.

(6) The extent to which the lack of student financial assistance programs has contributed to increased tuition costs.

(7) Other related topics determined to be appropriate by the Commission.

##### (b) FINAL REPORT.—

(1) IN GENERAL.—Subject to paragraph (2), the Commission shall submit to the President and to the Congress not later than September 1, 1994, a report which shall contain a detailed statement of the findings and conclusions of the Commission, including the

Commission's recommendations for administrative and legislative action that the Commission considers advisable.

(2) **MAJORITY VOTE REQUIRED FOR RECOMMENDATIONS.**—Any recommendation described in paragraph (1) shall be made by the Commission to the President and to the Congress only if such recommendation is adopted by a majority vote of the members of the Commission who are present and voting.

#### SEC. 1604. POWERS OF COMMISSION.

(a) **HEARINGS.**—The Commission may, for the purpose of carrying out this title, hold such hearings and sit and act as such times and places, as the Commission may find advisable.

(b) **RULES AND REGULATIONS.**—The Commission may adopt such rules and regulations as may be necessary to establish the Commission's procedures and to govern the manner of the Commission's operations, organization, and personnel.

(c) **ASSISTANCE FROM FEDERAL AGENCIES.**—

(1) **INFORMATION.**—The Commission may request from the head of any Federal agency or instrumentality such information as the Commission may require for the purpose of this title. Each such agency or instrumentality shall, to the extent permitted by law and subject to the exceptions set forth in section 552 of title 5, United States Code (commonly referred to as the Freedom of Information Act), furnish such information to the Commission, upon request made by the Chairperson of the Commission.

(2) **FACILITIES AND SERVICES, PERSONNEL DETAIL AUTHORIZED.**—Upon request of the Chairperson of the Commission, the head of any Federal agency or instrumentality shall, to the extent possible and subject to the discretion of such head—

(A) make any of the facilities and services of such agency or instrumentality available to the Commission; and

(B) detail any of the personnel of such agency or instrumentality to the Commission, on a nonreimbursable basis, to assist the Commission in carrying out the Commission's duties under this title, except that any expenses of the Commission incurred under this subparagraph shall be subject to the limitation on total expenses set forth in section 1605(b).

(d) **MAILS.**—The Commission may use the United States mails in the same manner and under the same conditions as other Federal agencies.

(e) **CONTRACTING.**—The Commission, to such extent and in such amounts as are provided in appropriation Acts, may enter into contracts with State agencies, private firms, institutions, and individuals for the purpose of conducting research or surveys necessary to enable the Commission to discharge the Commission's duties under this title, subject to the limitation on total expenses set forth in section 1605(b).

(f) **STAFF.**—Subject to such rules and regulations as may be adopted by the Commission, the Chairperson of the Commission (subject to the limitation on total expenses set forth in section 1605(b)) shall have the power to appoint, terminate, and fix the compensation (without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title, or of any other provision, or of any other provision of law, relating to the number, classification, and General Schedule rates) of an Executive Director, and of such additional staff as the Chairperson deems advisable to assist the Commission, at rates

not to exceed a rate equal to the maximum rate for level IV of the Executive Schedule under section 5332 of such title.

(g) **ADVISORY COMMITTEE.**—The Commission shall be considered an advisory committee within the meaning of the Federal Advisory Committee Act (5 U.S.C. App.) and shall be independent from the Executive Branch.

#### SEC. 1605. EXPENSES OF COMMISSION.

(a) **IN GENERAL.**—Any expenses of the Commission shall be paid from such funds as may be available to the Secretary of the Treasury.

(b) **LIMITATION.**—The total expenses of the Commission shall not exceed \$2,000,000.

(c) **GAO AUDIT.**—Prior to the termination of the Commission pursuant to section 1606, the Comptroller General of the United States shall conduct an audit of the financial books and records of the Commission to determine that the limitation on expenses has been met, and shall include the Comptroller General's determination in an opinion to be included in the report of the Commission.

#### SEC. 1606. TERMINATION OF COMMISSION.

The Commission shall cease to exist on the date that is 90 days after the date on which the Commission submits its report.

### TITLE XVII—AMENDMENTS TO THE HIGHER EDUCATION ACT OF 1965

#### SEC. 1701. DISCLOSURE OF TUITION, ADMINISTRATIVE COSTS, INSTRUCTIONAL COSTS AND CAPITAL COSTS.

(a) **DISCLOSURE REQUIREMENTS.**—Section 485 of the Higher Education Act of 1965 (20 U.S.C. 1092) is amended by adding at the end thereof the following new subsection:

"(g) **DISCLOSURE OF PARENT/STUDENT RIGHT TO KNOW STATISTICS.**—(1) Each eligible institution participating in any program under this Act shall collect information with respect to administrative costs, instructional costs and capital costs, and annually prepare, publish, and distribute, through appropriate publications or mailings, to all current students, and to any applicant for enrollment or upon request, members of the public, an annual report on such costs.

"(2) Upon the request of the Secretary, each institution participating in any program under this Act shall submit to the Secretary a copy of the report required to be made available under paragraph (1). The Secretary shall review such reports and shall report to the Committee on Education and Labor and the Committee on Appropriations of the House of Representatives, and the Committee on Labor and Human Resources and Committee on Appropriations of the Senate on the content of such reports.

"(3) The Secretary, after receiving recommendations from the Commission, shall solicit public comment and promulgate rules to implement this subsection.

"(4) Nothing in this subsection shall be construed to authorize the Secretary to require particular policies, procedures, or practices by institutions of higher education with respect to tuition costs, administrative costs, instructional costs, and capital costs."

#### SEC. 1702. PROGRAM PARTICIPATION AGREEMENT REQUIREMENTS.

(a) **IN GENERAL.**—Subsection (a) of section 487 of the Higher Education Act of 1965 (20 U.S.C. 1094(a)) is amended by adding at the end thereof the following new paragraph:

"(13) The institution has complied with the disclosure requirements of section 485(g)."

(b) **EFFECTIVE DATE.**—The amendment made by subsection (a) shall become effective 90 days after the issuance of the regulations described in section 485(g)(3) of the Higher Education Act of 1965.

### TITLE XVIII—RESOURCE SHARING GRANTS

#### SEC. 1801. RESOURCE SHARING GRANTS.

(a) **GRANTS AUTHORIZED.**—

(1) **IN GENERAL.**—The Secretary is authorized to award grants, on a competitive basis, to States, local governments, or consortia of universities and colleges to enable such States, local governments or consortia thereof to establish resource sharing plans that are designed to—

(A) prevent unnecessary duplication of existing resources;

(B) reduce long-term cost of tuition at colleges and universities; and

(C) establish cost containment mechanisms for the costs described in subparagraph (A).

(2) **GRANT DISTRIBUTION.**—The Secretary shall award at least 5 grants pursuant to paragraph (1) to at least 5 different States or consortia thereof.

(b) **USE OF FUNDS.**—Funds shall be used to carry out the plans described in this section.

(c) **APPLICATION.**—Each State or consortium thereof desiring a grant under this section shall submit an application to the Secretary at such time, in such manner and accompanied by such information as the Secretary may reasonably require.

(d) **DEFINITIONS.**—For the purpose of this section—

(1) the term "Secretary" means the Secretary of Education; and

(2) the term "State" means each of the 50 States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, American Samoa, Guam, the Commonwealth of the Northern Mariana Islands, the Federated States of Micronesia, and the Republic of Palau (until the Compact of Free Association is ratified).

(e) **AUTHORIZATION OF APPROPRIATIONS.**—There are authorized to be appropriated \$15,000,000 for fiscal year 1993 and such sums as may be necessary for each of the 6 succeeding fiscal years thereafter to carry out this section.

**Mr. LAUTENBERG.** Mr. President, this amendment deals with one part of the cost of higher education. It frankly focuses on holding down tuition costs by reducing unnecessary administrative costs.

The American family is experiencing sticker shock when they look into the cost of higher education today. Families in my State of New Jersey face college tuition bills that are as much as \$25,000 per year for each child. That is \$100,000 for an undergraduate education for one child.

The parents and the students of my State are struggling to afford a college education. Many parents who attended college themselves in the 1960's now are seeing their children facing college tuition bills that are up to 100 percent higher than those in the mid-sixties in inflation-adjusted dollars.

I am offering an amendment tonight to try to find ways to hold down the tremendous growth in college tuition costs in recent years, and to allow students and parents and the public generally the right to know how institutions of higher education are spending their tuition dollars.

S. 1150, the bill currently pending, makes great strides in making tuition



assistance more available to lower- and middle-income families, and I compliment the managers and the authors of this legislation.

We are looking at an excellent bill, and I hope that it will pass expeditiously.

I have always believed that the Federal Government, needs to play a strong role in ensuring access to higher education for all who are qualified.

However, as the Senate considers these Student Aid Program expansions, we are also witnessing dramatic increases in the price of tuition. From 1970 to 1980, tuition rose at a lower rate than the following other commodities: Food, health care, energy, new housing, and all services. In the 1980's, however, there was almost a complete reversal of this trend. During these years, tuition rose faster than many commodities, including health care. For the past 11 years, both public and private tuition rose faster than the CPI. In some of those years, the tuition was two to three times the CPI.

Mr. President, I would also like to point out another disturbing trend. Today colleges and universities are spending a significant portion of their tuition dollars on administrative costs. In 1930, 19 cents of every education dollar was spent on administration. That now has grown to 45 percent as of the 1987-88 academic year.

The question is: What are administrative costs? They are costs associated with personnel who collaborate, supervise, set policies, and perform services such as producing a course catalog, registering students, and performing financial activities.

I must point out that administrative costs do not include expenditures on libraries, counseling, admissions, placement, physical plant, research, and faculty salaries.

Mr. President, at the same time we witnessed these startling developments, we also read about outrageous expenditures by universities brought out in recent congressional hearings on indirect costs. The amendment that I am offering does not deal with the indirect costs, but we are all outraged that universities are spending precious resources in such ridiculous ways.

We have heard, for example, stories of universities and colleges spending millions of dollars on parades, parties, athletic tickets, lavish household items for administrators, club memberships, even yachts, lobbying, and "golden parachutes."

In the past, some of these expenditures have been billed to the American taxpayer. It is my understanding that OMB is now dealing with this problem.

But I say to my colleagues, in these tough times, should universities and colleges be spending any money on these frivolous items? How can a college or a university justify spending families' hard-earned tuition dollars on

these items? How would alumni contributors feel if they knew that their donations are being spent in such areas?

Spending decisions must continue to rest with the academic institutions themselves. But parents and students and the public taxpayers deserve to know how tuition dollars are spent. My amendment is designed to begin to address these problems of increasing tuition and administrative costs.

The amendment has three parts. First, it sets up a national commission on the cost of higher education to study the problems of increasing tuition and administrative costs, and to make policy recommendation on how to hold these costs in check. This will be a bipartisan commission including members appointed by the President and the Congress. It will be made up of academics, as well as other experts. The commission will report its recommendations to the Congress and the President for them to take appropriate action.

Second, the amendment establishes a parent-student right-to-know law. This would require universities and colleges to send to prospective students information on tuition and administrative, instructional, and capital costs, so that each student will know where his or her prospective university is allocating its scarce resources. This could influence a decision that the applicant is making about which college to attend. The data items and format of this right to know document would be established by the Department of Education after receiving recommendations from the national commission on the cost of higher education. Finally, the amendment establishes a resource sharing grant program to award funds to universities, colleges consortia, States and cities who develop proposals designed to share existing resources that will hold down the long-term cost of tuition.

Mr. President, these are the essentials of my amendment. I hope my colleagues will understand the mission that I am on here, to reduce the administrative and overhead costs as much as possible in order to ensure that college tuition is affordable for the American family.

I ask that my colleagues support this amendment so that the cost of higher education does not become totally unreachable for American families.

Mr. President, I note that the amendment has been cleared by both sides of the aisle, and I ask for its adoption.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment.

The amendment (No. 1659) was agreed to.

Mr. LAUTENBERG. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. PELL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. LAUTENBERG. I yield the floor. Mr. PELL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. PELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### AMENDMENTS NOS. 1660-1686 EN BLOC

Mr. PELL. Mr. President, I send a series of amendments to the desk and ask for their immediate consideration en bloc.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Rhode Island [Mr. PELL] proposes en bloc amendments numbered 1660-1686.

Mr. PELL. Mr. President, I ask unanimous consent that reading of the amendments be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments are as follows:

#### AMENDMENT NO. 1660

(Purpose: To exempt certain institutions of higher education from a cash reserve requirement)

Beginning on page 332 of the Committee amendment, strike line 23 and all that follows through page 333, line 2, and insert the following:

"(5)(A) establish requirements for the maintenance by an institution of higher education of sufficient cash reserves to ensure repayment of any required refunds; and

"(B) provide for as process under which the Secretary shall exempt an institution of higher education from the requirements described in subparagraph (A) if the Secretary determines that the institution—

"(i) is located in a State that has tuition recovery fund such that the institution meets the requirements of subparagraph (A);

"(ii) contributes to the fund; and

"(iii) otherwise has legal authority to operate within the State; and

#### AMENDMENT NO. 1661

(Purpose: To allow institutions of higher education to record certain proceedings)

On page 299, line 24, insert "(a) IN GENERAL.—" before "Subsection".

On page 303, between lines 16 and 17, insert the following:

(b) CONSTRUCTION.—Section 487 of the Act, as amended by subsection (a), is further amended by adding at the end the following:

"(e) CONSTRUCTION.—Nothing in the amendments made by the Higher Education Amendments of 1991 shall be construed to prohibit an institution from recording, at the cost of the institution, a hearing referred to in subsection (b)(2), subsection (c)(1)(D), or subparagraph (A) or (B)(i) of subsection (c)(2), of section 487 to create a record of the hearing. The Secretary shall allow the institution to use any reasonable means, including stenographers, of recording the hearing."

## AMENDMENT NO. 1662

(Purpose: To make certain amendments regarding TRIO programs, and for other purposes)

On page 11, strike the item relating to section 311.

On page 11, redesignate the items relating to sections 312 through 314 as the items relating to sections 311 through 313.

On page 53, strike lines 5 through 14.

On page 53, line 15, strike "312" and insert "311".

On page 53 line 18, strike "313" and "312".

On page 53 line 23, strike "314" and "313".

On page 83, line 17, strike "The" and insert "(A) Except as provided in subparagraph (B), the".

On page 83, between lines 22 and 23, insert the following:

"(B) SPECIAL RULE.—The Secretary is not required to provide assistance to a program otherwise eligible for assistance under this subpart pursuant to subparagraph (A), if the Secretary is in receipt of evidence indicating that such program has involved the fraudulent use of funds under this subpart.

On page 84, line 6, strike "10" and insert "8".

On page 84, line 16, strike "strike "10" and insert "8".

On page 192, between line 3 insert ", except that in no case shall this paragraph apply to any borrower whose loan has been discharged through an action in bankruptcy" before the period.

## AMENDMENT NO. 1663

(Purpose: To expand options for community service)

On page 585, line 7, strike "and".

On page 585, line 12, strike the period and insert a semicolon and "and".

On page 585, between lines 12 and 13, insert the following:

"(E) identify the reasons for which participants in the program have chosen to take part in such program; and

"(F) identify other areas of community service or employment which may serve as appropriate methods of loan repayment.

## AMENDMENT NO. 1664

(Purpose: To establish a National Commission on Independent Education)

On page 596, between lines 10 and 11, insert the following:

## SEC. 1302. NATIONAL COMMISSION ON INDEPENDENT EDUCATION.

Title XIII of the Higher Education Amendments of 1986 is amended by adding at the end the following new part:

## "PART J—NATIONAL COMMISSION ON INDEPENDENT EDUCATION

## SEC. 1391. SHORT TITLE.

"This part may be cited as the 'National Independent Colleges and Universities Discovery Act'.

## "SEC. 1392. FINDINGS.

"The Congress finds that—

"(1) the quality and scope of higher education in our Nation is without argument the finest in the world, and a distinguishing feature of our Nation's system of higher education is its strong and diverse nonprofit independent sector;

"(2) independent colleges and universities are as diverse as the Nation itself and include traditional liberal arts institutions, major research universities, church- and faith-related colleges, colleges and universities primarily attended by minorities, women's colleges, junior colleges, and schools of law, medicine, engineering, business and other professions;

"(3) the diversity of independent colleges and universities offers students a choice in the type of educational experience that will best serve such students' interests, needs and aspirations;

"(4) independent colleges and universities enroll 21 percent of all students in the United States, award 33 percent of all bachelor's degrees in the United States, 42 percent of all such master's degrees, 36 percent of all such doctoral degrees, and 59 percent of all such professional degrees;

"(5) a majority of all undergraduate students attending independent colleges and universities receive some form of financial assistance, and such independent colleges and universities provide such financial assistance from their own resources;

"(6) independent colleges and universities are deeply involved in hundreds of partnerships with elementary and secondary schools, and such partnerships are largely funded by such colleges and universities;

"(7) independent colleges and universities have been an extraordinary example of private-public partnerships, with such colleges and universities operating in the public interest to provide a public good;

"(8) less than 20 percent of the revenue of independent colleges and universities comes from governmental funds, most of which is in the form of Federal and State financial aid;

"(9) decreases in Federal and State support for student financial aid programs has placed at risk the option of choosing an independent college or university for an increasing number of students;

"(10) whereas at the turn of the twentieth century 80 percent of the students enrolled in higher education in the United States were enrolled in independent colleges and universities, such percentage has now declined to 21 percent, and further erosions place at risk the option of choosing an independent college or university for students and parents; and

"(11) the entire sector of independent colleges and universities and the important contributions such sector makes to our Nation is at risk and deserves national policy attention.

## "SEC. 1393. PURPOSE.

"It is the purpose of this part to establish a National Commission on Independent Higher Education.

## "SEC. 1394. NATIONAL COMMISSION ON INDEPENDENT HIGHER EDUCATION.

"(a) ESTABLISHMENT.—There is established as an independent agency in the executive branch a commission to be known as the National Commission on Independent Higher Education (hereafter in this Act referred to as the 'Commission').

"(b) MEMBERSHIP.—

"(1) COMPOSITION.—The Commission shall be composed of 9 members, 3 of whom shall be appointed by the President, 3 of whom shall be appointed by the Speaker of the House of Representatives, and 3 of whom shall be appointed by the Majority Leader of the Senate.

"(2) EXPERTISE REQUIREMENT.—The members of the Commission shall consist of individuals with expertise and experience in independent higher education, including expertise in national tax policy, individuals with expertise in State higher education finance, individuals with expertise in Federal financial aid programs, individuals with expertise in issues of student and faculty diversity, and individuals with expertise in graduate education and research.

"(3) DATE.—The members of the Commission shall be appointed not later than 6

months after the date of enactment of this Act.

"(c) PERIOD OF APPOINTMENT; VACANCIES.—Members of the Commission shall be appointed for the life of the Commission. Any vacancy in the Commission shall not affect its powers, but shall be filled in the same manner as the original appointment.

"(d) MEETINGS.—The Commission shall meet at the call of the Chairman.

"(e) QUORUM.—Six of the members of the Commission shall constitute a quorum, but a lesser number of members may hold hearings.

"(f) CHAIRMAN.—The Commission shall select a Chairman from among its members.

## "SEC. 1395. DUTIES OF THE COMMISSION.

"The Commission shall—

"(1) develop a factual base for understanding the status of independent colleges and universities, their contributions to public priorities, and the effects of national higher education policies on the independent non-profit sector;

"(2) review the issuance of Federal regulations regarding independent colleges and universities, and suggest means by which independent colleges and universities can be held accountable for use of public resources without inappropriate intrusion into institutional autonomy; and

"(3) address the relation between Federal and State policies on independent colleges and universities, particularly with respect to student access and choice, finance, institutional subsidies, and institutional accountability.

## "SEC. 1396. REPORT AND RECOMMENDATIONS.

"(a) INTERIM REPORT.—The Commission shall submit an interim report to the President and the Congress on the Commission's activities and findings within 18 months of the date of enactment of this Act.

"(b) FINAL REPORT.—

"(1) IN GENERAL.—The Commission shall submit a final report to the President and the Congress on the Commission's activities and findings within 3 years of the date of enactment of this Act.

"(2) RECOMMENDATION.—The report described in paragraph (1) shall contain a recommendation regarding the establishment of a national policy on independent colleges and universities appropriate to meeting the Nation's higher educational goals in the twenty-first century.

## "SEC. 1397. POWERS OF THE COMMISSION.

"(a) HEARINGS.—The Commission may hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence as the Commission considers advisable to carry out the purposes of this part.

"(b) INFORMATION FROM FEDERAL AGENCIES.—The Commission may secure directly from any Federal department or agency such information as the Commission considers necessary to carry out the provisions of this part. Upon request of the Chairman of the Commission, the head of such department or agency shall furnish such information to the Commission.

"(c) GIFTS.—The Commission may accept, use, and dispose of gifts or donations of services or property.

## "SEC. 1398. COMMISSION PERSONNEL MATTERS

"(a) TRAVEL EXPENSES.—From amounts available to the Secretary of Education, the members of the Commission shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter I of chapter 57 of title 5, United States Code, while away



from their homes or regular places of business in the performance of services for the Commission.

"(b) **DETAIL OF GOVERNMENT EMPLOYEES.**—Any Federal Government employee may be detailed to the Commission without reimbursement, and such detail shall be without interruption or loss of civil service status or privilege.

"(c) **STAFF.**—

"(1) **IN GENERAL.**—The Chairman of the Commission may, without regard to the civil service laws and regulations, appoint and terminate an executive director and not more than 2 staff members to enable the Commission to perform its duties. The employment of an executive director shall be subject to confirmation by the Commission.

"(2) **COMPENSATION.**—The Chairman of the Commission may fix the compensation of the executive director and not more than 2 staff members without regard to the provisions of chapter 51 and subchapter III of chapter 53 of title 5, United States Code, relating to classification of positions and General Schedule pay rates, except that the rate of pay for the executive director and such staff may not exceed the rate payable for level 15 of the General Schedule classified under section 5107 of such title.

"SEC. 1399. **TERMINATION OF THE COMMISSION.**

"The Commission shall terminate 3 years after the date of enactment of this Act."

On page 14, after the item relating to section 1301, insert the following:

Sec. 1302. National Commission on Independent Education.

#### AMENDMENT No. 1665

(Purpose: To require institutions of higher education to develop and distribute a statement of policy regarding such institution's policy on campus sexual assault programs)

On page 294, line 18, strike "and".

On page 296, line 2, strike the end quotation marks and the second period and insert a semicolon and "and".

On page 296, between lines 2 and 3, insert the following:

(3) In subsection (f), by adding at the end the following new paragraph:

"(7)(A) Each institution of higher education participating in any program under this title shall develop and distribute as part of the report described in paragraph (1) a statement of policy regarding—

"(i) such institution's campus sexual assault programs which shall be aimed at prevention of sex offenses; and

"(ii) the procedures followed once a sex offense has occurred.

"(B) The policy described in subparagraph (A) shall address the following areas:

"(i) Education programs to promote the awareness of rape, acquaintance rape, and other sex offenses.

"(ii) Procedures students should follow if a sex offense occurs, including who should be contacted and to whom the alleged offense should be reported.

"(iii) Procedures for on-campus disciplinary action in cases of alleged sexual assault which shall include—

"(I) a clear statement that the institution will impose sanctions on students and employees, and a description of those sanctions;

"(II) a clear statement that the accuser and the accused are entitled to the same opportunities to have others present during a campus disciplinary proceeding; and

"(III) a clear statement that both the accuser and the accused shall be informed of

the outcome of any campus disciplinary proceeding brought alleging a sexual assault.

"(iv) Notification of victims of sexual assault of the applicable legal sanctions under Federal, State or local law for sexual assault.

"(v) Informing students of their options to notify proper law enforcement authorities, both on campus and local police, and the option to be assisted by campus authorities in notifying such authorities, if the student so chooses.

"(vi) Notification of students of existing counseling, mental health or student services for victims of sexual assault, both on campus and in the community.

"(vii) Notification of students of options for and available assistance in, if so requested by the victim, changing academic and living situations subsequent to an alleged sexual assault incident.

"(C) Nothing in this paragraph shall be construed to confer a private right of action upon any person to enforce the provisions of this paragraph."

#### AMENDMENT No. 1666

(Purpose: To award grants to community college and small business consortia to enable such consortia to develop and provide training and retraining programs for workers)

On page 132, line 4, strike the end quotation marks and the second period.

On page 132, between lines 4 and 5, insert the following:

"Subpart 12—Training Grants for Community College and Small Business Consortia

"SEC. 420DD. **FINDINGS.**

"The Congress finds that—

"(1) small businesses provide most entry-level jobs in the United States but often lack the resources to provide needed worker education and training;

"(2) there is a growing mismatch between worker skills and workplace demands that has a greater impact on small businesses than on large businesses;

"(3) many employees of small businesses need both literacy and English-as-a-second language training, and skills training, in order to meet the needs of business;

"(4) joint education and training programs help share the risks of training, increase the number of the skills workers available to small businesses, and allow more cost-effective development of training materials; and

"(5) many small businesses subcontract with large businesses that can provide valuable training advice to the small businesses.

"SEC. 420EE. **PROGRAM AUTHORIZED.**

"(a) **IN GENERAL.**—The Secretary, in consultation with the Administrator of the Small Business Administration and the Secretaries of Labor and Commerce, is authorized to make not more than 40 grants to community colleges participating in an eligible consortium to pay part or all of the costs of developing and providing training and retraining programs which meet the existing and changing needs of the eligible consortium's workers, especially nonsupervisory workers.

"(b) **AMOUNT.**—The Secretary shall not award a grant under this subpart in an amount which exceeds \$500,000.

"(c) **PROCEDURES AND CRITERIA.**—The Secretary shall establish procedures and criteria for awarding grants under this subpart on a competitive merit basis.

"SEC. 420FF. **ELIGIBLE CONSORTIUM.**

"For the purpose of this subpart the term 'eligible consortium' means an accredited

community college in consortium with two or more small businesses. The small businesses described in the preceding sentence shall—

"(1) be in the same industry;

"(2) use the same technology; and

"(3) have common educational needs.

"SEC. 420GG. **APPLICATION.**

"(a) **IN GENERAL.**—Each community college desiring a grant under this subpart shall submit an application to the Secretary at such time, in such manner and accompanied by such information as the Secretary may reasonably require.

"(b) **CONTENTS.**—Each application submitted pursuant to subsection (a) shall describe—

"(1) the activities and services for which assistance is sought, which shall include technology training, basic skills training, or English-as-a-second language training;

"(2) the membership of the eligible consortium including, where applicable, a description of the large businesses that contract with the small businesses participating in the consortium and have training expertise to share with the small businesses;

"(3) the deduction and training needs of the eligible consortium; and

"(4) the source of the non-Federal share of costs of the training and retraining programs, including a description of any system of fees which may be used by the eligible consortium to support or partially support the training or retraining program.

"(c) **APPROVAL.**—The Secretary shall appoint a technical review panel to—

"(1) establish competitive selection criteria based on the contents of the application described in subsection (b);

"(2) select and approve applications under this subpart based on the selection criteria established pursuant to paragraph (1); and

"(3) make recommendations to the Secretary regarding the awarding of grants under this subpart.

"(d) **PREFERENCE.**—The panel described in subsection (c) shall give preference to applications that demonstrate a commitment to continue the training and retraining program after the termination of assistance provided under this subpart.

"(e) **SPECIAL RULE.**—The panel described in subsection (c) shall only approve applications under this subpart from eligible consortia which demonstrate the ability to provide effective training and retraining programs.

"SEC. 420HH. **AUTHORIZATION OF APPROPRIATIONS.**

"There are authorized to be appropriated \$5,000,000 for fiscal year 1993 and each of the 6 succeeding fiscal years to carry out the provisions of this subpart."

#### AMENDMENT No. 1667

(Purpose: To require institutions of higher education to develop and distribute a statement of policy regarding such institution's policy on campus sexual assault programs)

On page 294, line 18, strike "and".

On page 296, line 2, strike the end quotation marks and the second period and insert a semicolon and "and".

On page 296, between lines 2 and 3, insert the following:

(3) In subsection (f), by adding at the end the following new paragraph:

"(7)(A) Each institution of higher education participating in any program under this title shall develop and distribute as part of the report described in paragraph (1) a statement of policy regarding—

"(i) such institution's campus sexual assault programs which shall be aimed at prevention of sex offenses; and

"(ii) the procedures followed once a sex offense has occurred.

"(B) The policy described in subparagraph (A) shall address the following areas:

"(i) Education programs to promote the awareness of rape, acquaintance rape, and other sex offenses.

"(ii) Procedures students should follow if a sex offense occurs, including who should be contacted and to whom the alleged offense should be reported.

"(iii) Procedures for on-campus disciplinary action in cases of alleged sexual assault which shall include—

"(I) a clear statement that the institution will impose sanctions on students and employees, and a description of those sanctions;

"(II) a clear statement that the accuser and the accused are entitled to the same opportunities to have others present during a campus disciplinary proceeding; and

"(III) a clear statement that both the accuser and the accused shall be informed of the outcome of any campus disciplinary proceeding brought alleging a sexual assault.

"(iv) Notification of victims of sexual assault of the applicable legal sanctions under Federal, State or local law for sexual assault.

"(v) Informing students of their options to notify proper law enforcement authorities, both on campus and local police, and the option to be assisted by campus authorities in notifying such authorities, if the student so chooses.

"(vi) Notification of students of existing counseling, mental health or student services for victims of sexual assault, both on campus and in the community.

"(vii) Notification of students of options for and available assistance in, if so requested by the victim, changing academic and living situations subsequent to an alleged sexual assault incident.

"(C) Nothing in this paragraph shall be construed to confer a private right of action upon any person to enforce the provisions of this paragraph."

Mr. BIDEN. Mr. President, the Senate adopted an amendment to the Higher Education Reauthorization Act that is of great importance to the women of our Nation's colleges and universities—an amendment based on a bill that I introduced last June with Senator SPECTER called the Campus Sexual Assault Victims Bill of Rights Act.

I would like to take this opportunity to thank the distinguished chairman of the Labor Committee, Senator KENNEDY, and his staff for their work on this amendment, as well as the chairman and ranking member of the Education Subcommittee, Senators PELL and KASSEBAUM, for their assistance with the amendment.

Mr. President, it is sad but true, that young women on college campuses are at great risk. Experts estimate that one out of every four women on campus will be the victim of an attempted sexual assault by the time she graduates; one out of seven will be sexually assaulted.

More shocking than the number of crimes is the horrifying fact that most victims of sexual assault suffer in silence.

For many reasons—embarrassment, fear that they won't be believed, or simply because they do not know what their options are—less than 50% of student victims report a sexual assault to police or campus authorities.

In a society that says it values education so highly, it is shameful that women are dropping out of college because of physical violence.

This amendment takes aim at this problem by requiring that federally funded colleges and universities accord sexual assault victims the rights, the respect, and the services they are due.

Specifically, the amendment requires colleges and universities to implement and issue, on a yearly basis, a campus sexual assault policy.

At a minimum, the policy must include:

Procedures to be followed if a sexual assault occurs;

A clear statement that the institution will impose sanctions on students or employees who commit sexual assaults;

Notice to students of their right to report any sexual assault to all proper law enforcement authorities—including on-campus and local police;

Education programs designed to encourage victims to report, and to prevent college personnel or other students from discouraging victims from reporting; and

Notice to students about counseling, mental health or student services for victims of sexual assault, both on campus and in the community.

I will take no further time to explain these provisions in detail. I ask unanimous consent that a full section-by-section analysis of the amendment be included in the RECORD at the close of these remarks.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

#### SECTION-BY-SECTION ANALYSIS OF THE BIDEN CAMPUS SEXUAL ASSAULT AMENDMENT

This amendment is based on S.1289, the Campus Sexual Assault Victims Bill of Rights, introduced by Senator Biden and Senator Specter on June 13, 1991.

To better address the needs of victims of campus sexual assault, this amendment requires colleges and universities to adopt campus sexual assault policies meeting several basic requirements.

First, the campus policy must include educational programs to promote awareness of rape, acquaintance rape, and other sex offenses. As a part of these programs, institutions should aim to encourage students to report sexual assaults, should instruct students and campus personnel about the adverse effects of victim-blaming attitudes, and should notify campus personnel that victims should not be discouraged from reporting sexual assaults.

Second, the campus policy must specify the procedures students should follow in the event of a sexual assault, including the relevant persons to be contacted on campus and the persons on or off campus to whom the assault should be reported.

Third, the policy must include a clear statement that the institution will impose

sanctions where a determination has been made that a sexual assault has occurred and that victims will be informed about the outcome of disciplinary proceedings to impose such sanctions. In addition, institutions should provide equal opportunities for assistance to victims during a campus disciplinary proceeding. For example, if the institution permits the accused to bring a parent to a proceeding, the accuser should also be permitted to have a parent present. Similarly, if the institution permits the accused to bring a lawyer to a proceeding, the accuser should also be permitted to have a lawyer present. (Nothing in this section, however, should be construed to require colleges or universities to allow lawyers or any other person to attend disciplinary proceedings; nor should it be construed to require colleges or universities to provide legal advice to any student).

Fourth, the policy must notify students of the applicable legal sanctions for sexual assault under local, state, or federal law.

Fifth, the policy must inform students about their options to notify law enforcement authorities, both on-campus police and local police. Universities should provide reasonable assistance to students who request assistance in notifying local law enforcement authorities.

Sixth, the policy must notify students of existing counseling, mental health or student services for victims of sexual assault, both on campus and in the community.

Seventh, the policy must inform students that, whenever possible, the institution will assist students who request assistance in changing their classes or living situations because of an alleged sexual assault.

Finally, there is no intent to create a private right of action or to permit individuals to sue colleges or universities for damages or injunctive relief because of a failure to meet the standards set forth in this section of the bill. However, institutions that fail to adopt policies meeting the standards of this section risk the loss of all Federal education funding.

Mr. SPECTER. Mr. President, I am pleased to support the amendment offered by Senator BIDEN to the Higher Education Reauthorization Act based on the Campus Sexual Assault Victims' Bill of Rights Act. As an original cosponsor of this act, and sponsor of the Student Right to Know Act, which is now law, I believe that this legislation makes further progress in the effort to improve campus security standards and treatment for campus crime victims.

It is estimated that one out of every four university women will be the victim of some type of sexual assault by the time she graduates. While some institutions are genuinely working toward reducing campus sexual assault, there is still a great temptation to sweep these crimes under the rug for fear of bad publicity.

The amendment requires colleges and universities to provide programs aimed at prevention of sex offenses and to establish procedures followed once these crimes have occurred.

The amendment, which incorporates provisions outlined in the Campus Sexual Assault Victims' Bill of Rights Act, requires colleges and universities to: formulate policies and procedures for students to follow should a sex offense



occur; provide the same rights to the accuser that is afforded the accused during campus disciplinary proceedings; notify sexual assault victims of the applicable local, State, or Federal legal sanctions; notify sexual assault victims of existing counseling or other services available to victims both on campus and in the community; and inform victims of their options to change academic and living situations subsequent to an alleged assault.

Campus sexual assault is a traumatic experience. Unfortunately, this experience is made even more traumatic when victims are poorly treated by campus officials and uncertain of their legal rights and options. This amendment seeks to inform and assist victims of sexual assault on our college campuses as well as educate students on preventing such incidents.

The Campus Sexual Assault Victims' Bill of Rights and the Student Right to Know Act are due, in large part, to the efforts of Connie and Howard Clery whose daughter Jeanne was brutally raped and murdered at Lehigh University in 1986. Their crusade on behalf of their beloved daughter was to ensure that tragic deaths like Jeanne's be prevented.

This legislation is another important step toward safer college campuses. I applaud the efforts by the Senator from Delaware and urge its prompt adoption by the Senate.

#### AMENDMENT NO. 1668

(Purpose: To make technical and clarifying amendments regarding service learning)

On page 12, after the item relating to section 445, insert the following:

Sec. 445A. Additional funding to conduct community service work-study programs.

On page 23, line 5, strike "service and conservation corps" and insert "corps as defined in section 101(30) of the National and Community Service Act of 1990".

On page 71, line 19, strike "work learning study" and insert "work-study".

On page 212, line 24, strike "20 U.S.C." and insert "40 U.S.C.".

On page 213, line 17, strike "subpart" and insert "part".

On page 213, line 19, insert "public" before "agencies".

On page 213, line 20, strike "institutions" and insert "private nonprofit organizations".

On page 214, line 3, insert "Such term includes support services provided to students with disabilities." before the end quotation marks.

On page 214, line 5, strike "20 U.S.C." and insert "42 U.S.C.".

On page 214, line 19, strike "and".

On page 214, line 22, strike the period and insert a semicolon and "and".

On page 214, between lines 22 and 23, insert the following:

(3) in subsection (e), by amendment paragraph (2) to read as follows:

"(2) The Secretary shall reallocate the amount available pursuant to paragraph (1) to eligible institutions for use in initiating, improving and expanding community service work-study programs."

On page 214, line 24, strike "20 U.S.C." and insert "42 U.S.C.".

On page 215, strike lines 5 through 9, and insert the following:

(2) by amending subparagraph (A) of paragraph (2) to read as follows:

"(A) in fiscal year 1994 and succeeding fiscal years, an institution shall use at least 10 percent of the total amount of funds granted to such institution under this section in any fiscal year to carry out a community service work-study program, and the calculation of either such 10 percent or such total amount of funds granted to such institution shall not take into consideration funds made available pursuant to section 443(e) or the fourth sentence of section 489(a);"

On page 216, strike lines 3 through 8, and insert the following:

succeeding academic years, except that—  
"(A) the Federal share may exceed such percentage if the Secretary determines that the non-Federal share would cause financial hardship at an eligible institution and that such institution serves a large number or percentage of low-income or minority students; and

"(B) when a student engaged in work in community service performs such work for a public agency or private nonprofit organization other than the eligible institution, the contribution of such agency or organization shall not exceed 10 percent of the compensation of the student, and the eligible institution in its discretion may count such contribution toward satisfaction of the non-Federal share of the compensation of the student;"

On page 217, line 8, strike "20 U.S.C." and insert "42 U.S.C.".

On page 217, strike line 13, and insert the following:

"(2) by striking subsection (c)."

On page 217, between lines 13 and 14, insert the following:

#### SEC. 445A. ADDITIONAL FUNDS TO CONDUCT COMMUNITY SERVICE WORK-STUDY PROGRAMS.

(a) IN GENERAL.—Section 447 of the Act (42 U.S.C. 2756a) is amended—

(1) by striking subsections (a) and (b); and  
(2) in subsection (c)—

(A) in the matter preceding paragraph (1), by striking "last sentence of section 489(a) to conduct that institution's program of community service learning" and inserting "fourth sentence of section 489(a) to conduct that institution's program of community service work-study";

(B) in paragraph (3), by inserting ", and programs assisted under the National and Community Service Act of 1990" after "non-profit agencies"; and

(C) by striking "(c) USE OF OTHER FUNDS TO CONDUCT PROGRAM."

(b) AMENDMENT TO HEADING.—The heading for section 447 of the Act is amended to read as follows:

#### "ADDITIONAL FUNDS TO CONDUCT COMMUNITY SERVICE WORK-STUDY PROGRAMS"

(c) CONFORMING AMENDMENTS.—Subsection (a) of section 489 of the Act (20 U.S.C. 1096(a)) is amended—

(1) in the second sentence, by striking "(other than section 447)"; and

(2) in the third sentence, by striking "The payment" and inserting "Except as provided in the succeeding sentence, the payment";

(3) in the fourth sentence—

(A) by striking "447" and inserting "community service work-study described in section 443"; and

(B) by striking "expenditures during such fiscal year under such section" and inserting "payments during such fiscal year to compensate students participating in a commu-

nity service work-study program conducted pursuant to such section".

On page 217, line 16, strike "20 U.S.C." and insert "42 U.S.C.".

On page 352, line 11, insert "or to involve secondary school students in community service-learning projects" after "skills".

On page 410, line 15, strike "and VISTA" and insert "VISTA, and programs funded under the National and Community Service Act of 1990".

On page 564, line 8, strike "subsection" and insert "subsections".

On page 564, line 12, strike the end quotation marks and the second period.

On page 564, between lines 12 and 13, insert the following:

"(j) SERVICE-LEARNING.—The term 'service-learning' has the same meaning given such term in section 101(22) of the National and Community Service Act of 1990."

Mr. WOFFORD. Mr. President, our country is at its best when we ask our citizens—especially our youth—to work for the benefit of the community. Two of the most successful programs initiated by the Federal Government in this century have been the Civilian Conservation Corps and the Peace Corps. Each program enabled and asked young people to serve, earn, and learn. Each proved a powerful tool in developing and utilizing the vast resource that is this Nation's youth.

When Congress created the work-study program almost 30 years ago, it envisioned that—like the youth of the Peace Corps and the CCC—many of the college students who received this new form of financial aid would give back to their communities through service. Congress called upon colleges and universities to develop opportunities for work-study students to work in the public interest, providing education, health, recreation and other services that would not otherwise be available to the community. Unfortunately, to date many campuses across the Nation have followed a path different from the one set out by Congress.

The bill before us today takes a promising first step toward reviving the commitment to community service in Federal work-study. It places community service squarely among the purposes and core provisions of the program. It calls for all colleges to actively seek out community service opportunities for students, both on-campus and off. And it fosters coordination with the goals and purposes of the National and Community Service Act of 1990. All this I applaud and endorse.

My amendment today streamlines these worthwhile provisions and makes it more practical for colleges that lack community service work-study programs to create them. As a former college president who has confronted the maze of student financial aid, I know well that minor technical changes such as these are often of significant practical benefit out in the field. I urge the adoption of my amendment and look forward to our next effort to harness the power of service and the capabilities of our youth.

## AMENDMENT NO. 1669

(Purpose: To reauthorize section 788 of the Public Health Service Act relating to special projects for two-year schools)

At the appropriate place, insert the following:

**SEC. 1406. SPECIAL PROJECTS FOR TWO-YEAR SCHOOLS.**

Subsection (f) of section 788 of the Public Health Service Act (20 U.S.C. 295g-8(f)) is amended to read as follows:

"(f) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated \$316,203 for each of the fiscal years 1993, 1994, 1995, and 1996 to carry out subsection (a)."

At the appropriate place, after the item relating to section 1405, insert the following:

Sec. 1406. Special projects for two-year schools.

Mr. WELLSTONE. Mr. President, I rise to offer an amendment to S. 1150 that will reauthorize appropriations for \$316,203 each year through 1996, via subsection 788(f) of the Public Health Services Act.

Presently the Public Health Services Act provides financial support for the first and last 2 years of medical education, targeted to schools that train primary care physicians in rural and other underserved areas.

There is an excellent 2-year medical education program at the Duluth campus of the University of Minnesota [UMD]. Through its admission process, UMD screens for candidates with an interest and background in family practice. Faculty are more oriented to primary care than in general programs. UMD prepares students to complete their medical education at the University of Minnesota in Minneapolis [U of M], which offers one of the most extensive rural clinical programs in the country. It is a critical source of rural physicians for the State.

There is not a school in the Nation that comes close to UMD's record in training family practice doctors. Over 52 percent of UMD graduates go into family medicine, compared with about 12 percent nationally; 24.6 percent of U of M graduates overall go into family practice, including both those students who began at UMD—the 52 percent—and completed their education at U of M, as well as those who went straight through the U of M from the beginning.

In addition, 41 percent of UMD graduates practice medicine in communities of fewer than 20,000 people. The national average for medical schools is 7 to 8 percent.

This is a unique program that works. For \$316,203 last year, subsection 788(a) of the Public Health Services Act has supported this program, and some similar efforts. The latest reauthorization of the act eliminates this support.

Other 2-year programs once covered by this section have since converted to longer programs, at places like Brown, Dartmouth, Drew in Los Angeles. Understandably, and facing a different environment from Minnesota's, they have changed to meet local needs.

The Duluth Program, however, is viable, strong, and important to the health care of rural Minnesotans. It plans to use funds from this act in the coming year to strengthen its family practice preceptor program by sending faculty into rural areas to become more familiar with rural medical practices. It will also develop systems to train students, who may in the future be isolated in a rural practice, how to solve clinical problems by accessing electronic data. One part of the program will provide computerized video disk instruction in anatomy and pathology that will be available to students currently and in their later practice.

Without this funding, none of these programs would be possible.

I am pleased to speak in support of this fine program, which has done so much to serve greater Minnesota.

## AMENDMENT NO. 1670

(Purpose: To provide for the transfer of certain funds by the Secretary of the Treasury through the most expeditious method available, with each of the Tribally Controlled Community Colleges being designated as its own certifying agency)

On page 134, between lines 22 and 23, insert the following:

"(4) Funds appropriated pursuant to the authorizations under this section for the fiscal year 1993 and for each of the succeeding 6 fiscal years shall be transferred by the Secretary of the Treasury through the most expeditious method available, with each of the Tribally Controlled Community Colleges being designated as its own certifying agency."

## AMENDMENT NO. 1671

(Purpose: To provide for American Indian teacher training)

At the end of the amendment, insert the following:

**PART F—AMERICAN INDIAN TEACHER TRAINING**  
**SEC. 1651. AMERICAN INDIAN TEACHER TRAINING.**

(a) INSTITUTIONAL SUPPORT.—

(1) IN GENERAL.—The Secretary of Education, through the Office of Indian Education, is authorized to award grants to tribally controlled postsecondary, vocational and technical institutions for the purpose of developing teacher training programs.

(2) USE OF GRANTS.—Grants awarded under this subsection shall be for the purpose of providing upper division course work, transfer programs, articulation agreements with other accredited institutions, telecommunications programs or other mechanisms which directly support the training of American Indian teachers.

(b) STUDENT SUPPORT GRANTS.—

(1) IN GENERAL.—The Secretary of Education, through the Office of Indian Education, is authorized to award grants to institutions that have developed teacher training programs under subsection (a) for the purpose of providing financial and programmatic support to American Indian students seeking to participate in such institutions' teacher training programs.

(2) USE OF GRANTS.—Colleges receiving grants under this section shall require recipients of grants under this subsection to serve as teachers in an Indian community for 1 year for each year of scholarship support received.

(3) ELIGIBILITY.—Students eligible to receive support grants shall include those who have completed at least 30 hours of postsecondary education.

(4) WORK REQUIREMENT.—Students who fail to satisfy the requirements of paragraph (2) shall be required to repay a pro rata portion of the total amount of scholarships awarded under this part if the student worked for less than the required time period described in such paragraph.

(c) SCHOLARSHIPS.—

(1) AUTHORITY.—The Secretary of Education, through the Office of Indian Education, is authorized to provide scholarship assistance to American Indian students who seek to become teachers and who—

(A) agree to serve as teachers in an Indian community for 1 year for each year of scholarship support received, and

(B) have completed at least 30 hours of postsecondary education.

(2) WORK REQUIREMENT.—Students who fail to satisfy the requirements of paragraph (1) shall be required to repay a pro rata portion of the total amount of scholarships awarded under this part if the student worked for less than the required time period described in paragraph (1)(B).

(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated \$5,000,000 for fiscal year 1993 and such sums as may be necessary for each fiscal year thereafter to carry out this part.

## AMENDMENT NO. 1672

(Purpose: To establish within the Department of Education a Liaison for Community and Junior Colleges)

At the end of the Committee amendment, add the following new title:

**TITLE XVI—COMMUNITY AND JUNIOR COLLEGES****SEC. 1601. DEFINITION OF COMMUNITY AND JUNIOR COLLEGE.**

Section 104 of the Department of Education Organization Act (20 U.S.C. 3404) is amended—

(1) by striking "and" at the end of paragraph (6);

(2) by striking the period at the end of paragraph (7) and inserting "; and"; and

(3) by adding at the end the following new definition:

"(8) the term 'community and junior college' means an institution of higher education, as defined in section 1201(a) of the Higher Education Act of 1965 (20 U.S.C. 1141(a)), that—

"(A) admits as regular students persons—

"(i) a majority of whom are beyond the age of compulsory school attendance in the State in which the institution is located; and

"(ii) who have the ability to benefit from the training offered by the institution; and

"(B)(i) provides an educational program of not less than 2 years that is acceptable for full credit toward such a degree; or

"(ii) offers a 2-year program—

"(I) in engineering, mathematics, or the physical or biological sciences; and

"(II) designed to prepare a student to work—

"(aa) as a technician; or

"(bb) as an entry-level professional in engineering, scientific, or other technological fields requiring the understanding and application of basic engineering, scientific, or mathematical principles of knowledge."

**SEC. 1602. LIAISON FOR COMMUNITY COLLEGES.**

(a) LIAISON.—Section 202 of the Department of Education Organization Act (20 U.S.C. 3412) is amended by adding at the end the following new subsection:



"(1)(1) There shall be in the Department a Liaison for Community and Junior Colleges, who shall be an officer of the Department appointed by the Secretary.

"(2) The Secretary shall appoint, no later than 6 months after the enactment of this Act, as the Liaison for Community and Junior Colleges a person who—

"(A) has attained an associate degree from a community or junior college; or

"(B) has been employed in a community or junior college setting for not less than 5 years.

"(3) The Liaison for Community and Junior Colleges shall—

"(A) serve as principal advisor to the Secretary on matters affecting community and junior colleges;

"(B) provide guidance to programs within the Department dealing with functions affecting community and junior colleges; and

"(C) work with the Federal Interagency Committee on Education to improve coordination of—

"(i) the outreach programs in the numerous Federal departments and agencies that administer education and job training programs;

"(ii) collaborative business education partnerships; and

"(iii) education programs located in, and regarding, rural areas."

(b) EXECUTIVE SCHEDULE.—Section 5315 of title 5, United States Code, is amended by adding at the end the following new item:

"Liaison for Community and Junior Colleges, Department of Education".

Mr. HATFIELD. Mr. President, I am pleased to offer this amendment which will establish within the Department of Education a high-level liaison for community and junior colleges. I am grateful for the support and advice of my colleagues on the Senate Labor Committee: Senators KASSEBAUM, PELL, HATCH, and KENNEDY.

In the past several decades, this Nation's community colleges have risen from virtual obscurity to become a large and critically important component of our higher education system. In fact, community colleges across this country have a larger combined enrollment than any other segment of higher education. In my State alone, Mr. President, community colleges are practically bursting at the seams with students—over 300,000 men and women are attending at least one community college class in Oregon this year. The four community colleges in the Greater Portland area alone have almost 150,000 students coming through their door annually. From what my colleagues tell me about community colleges in their States, the trends in Oregon are reflected throughout the Nation.

Many in this body share my commitment to community and junior colleges and the role they play in educating the many who take advantage of the unique educational opportunities they offer. I have long advocated the establishment of an Assistant Secretary for Community and Junior Colleges within the Department. While I would still prefer this level of authority within the Department, I am convinced that the liaison alternative will accomplish a similar goal.

My amendment ensures that the liaison position is filled by someone who either possesses an associate degree from a community or junior college, or who has worked within a community or junior college setting for at least 5 years. The liaison will be selected by the Secretary of Education and will report directly to the Secretary of Education. This person, who will have demonstrated expertise in community college issues, will serve as principal advisor to the Secretary on matters affecting community and junior colleges, and will work within the Federal Interagency Committee on Education to improve coordination of the outreach programs in the numerous Federal departments and agencies that administer education and job training programs. In addition, the liaison will strive to improve the coordination of collaborative business education partnerships and education programs located in rural areas.

In believe this is a strong step forward. I urge the support of my colleagues.

#### AMENDMENT NO. 1673

(Purpose: To amend certain provisions relating to the Student Literacy Corps)

On page 24, line 18, insert "(a) IN GENERAL—" before "From".

On page 24, line 21, strike "2 years to carry out" and insert "3 years to pay for the Federal share of carrying out".

On page 24, between lines 22 and 23, insert the following:

"(b) SPECIAL RULE.—An institution of higher education shall only receive 1 grant under this section in each fiscal year.

"(c) CONTINUATION OF LITERACY PROGRAM.—Grants under this section are renewable upon application by the institution of higher education in accordance with section 128.

"(d) FEDERAL SHARE.—

"(1) IN GENERAL.—The Federal share of carrying out student literacy corps programs under this subpart shall be—

"(A) up to 100 percent for an initial grant to an institution of higher education; and

"(B) up to 75 percent for a grant renewed under subsection (c).

"(2) NONFEDERAL SHARE.—The non-Federal share of carrying out student literacy corps programs under this subpart may be paid from any non-Federal sources.

On page 25, strike lines 13 through 16, and insert the following:

"(b) LIMITATION.—No grant award to an institution of higher education under this subpart shall exceed \$100,000.

On page 25, line 18, strike "\$25,000" and insert, "\$50,000".

On page 26, line 16, strike "not less than 60 hours" and insert ", for each credit, not less than 2 hours a week".

On page 28, between lines 14 and 15, insert the following:

"(d) REOPENING OF APPLICATION PROCESS.—The Secretary shall accept applications for assistance under this subpart for 90 days following the date of the enactment of this Act."

On page 29, line 2, strike "subpart the term" and insert the following: "subpart:

"(1) INSTITUTION OF HIGHER EDUCATION.—The term "institution of higher education", in the case of an institution of higher edu-

cation with a branch campus, means, at the election of the institution—

"(A) a branch campus of the institution; or

"(B) the institution.

"PUBLIC COMMUNITY AGENCY.—The term"

Mr. GORTON. Mr. President, I offer this amendment to S. 1150, the Higher Education Reauthorization Act. My amendment concerns one of the most successful and important programs within this legislation: the Student Literacy Corps. Since 1981, this program has combined the energy of college students with the great needs of illiterate Americans. Modeled after a program started in 1969 at the University of Miami, this program provides discretionary grants to institutions of higher education to establish tutoring courses. Undergraduate student tutors then receive academic credit in exchange for offering services to individuals who are economically or educationally disadvantaged. In my State of Washington, Tacoma Community College and Pacific Lutheran University have exemplified the spirit and intentions of the Student Literacy Corps by helping to fight illiteracy.

While this program has enjoyed great success over the years, illiteracy remains an enormous problem across then Nation. When 75 percent of unemployed adults have reading or writing difficulties and 23 million American adults are functionally illiterate, we must continue to support and improve programs that combat illiteracy. Therefore I offer an amendment to improve certain aspects of the Student Literacy Corps.

Specifically, my amendment expands the grant duration period from 2 to 3 years. Branch campuses of universities and colleges will be permitted to receive separate grants as well. The Federal share of initial grants for carrying out the program would be 100 percent and 75 percent for a renewed grant. In addition, this amendment would require the Secretary of Education to reopen the grant application period for 90 days after enactment. The improvements will increase the availability and utility of the Student Literacy Corps programs which ultimately will mean more students, helping more people to read.

Mr. President, illiteracy remains a major impediment to jobs and well-being of many Washingtonians. My amendment improves on a good idea by making it easier for students and universities to enlist in the Student Literacy Corps. I urge my colleagues to support this amendment to better the Student Literacy Corps and fight illiteracy.

#### AMENDMENT NO. 1674

(Purpose: To establish a database and toll-free telephone information line to provide student financial assistance information to parents, students and other individuals)

On page 311, line 17, strike the quotation marks and the second period.

On page 311, between lines 17 and 18, insert the following:

**"SEC. 494B. DATA BASE AND INFORMATION LINE.**

"(a) IN GENERAL.—From the amounts appropriated pursuant to the authority of subsection (b), the Secretary shall award a contract to establish and maintain—

"(1) a computerized database of all public and private student financial assistance programs, to be accessible to schools and libraries through either modems or toll-free telephone information lines; and

"(2) a toll-free telephone information line to provide individualized student financial assistance information to parents, students, and other individuals.

"(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated \$10,000,000 for fiscal year 1993 and such sums as may be necessary for each of the 6 succeeding fiscal years to carry out this section."

**AMENDMENT NO. 1675**

On page 108 of the Committee modification, on line three, strike "\$10,000,000" and insert in lieu thereof "\$20,000,000".

**AMENDMENT NO. 1676**

Insert on the bottom of page 339 the following new section:

**"SEC. 449C. AUTHORITY TO AWARD NEED BASED AID"**

(a) IN GENERAL.—Institutions of Higher Education may:

(1) voluntarily agree with any other Institution of Higher Education to award financial aid funds not covered by this Act to students attending those institutions only on the basis of demonstrated financial need for such assistance, *provided*, That each Institution of Higher Education shall apply its own standard of need which was adopted unilaterally and not in concert with any other Institution of Higher Education;

(2) voluntarily agree with any other Institution of Higher Education to collect from students, from whom such data may be considered reasonable and relevant, in addition to the data elements for financial aid prescribed by the Secretary, other supplemental financial data elements for financial aid funds not covered by this Act; *provided* that the student's right to free processing under Section 483 is not withheld and that such data will not affect eligibility or awards under this Act; and

(3) unilaterally engage and consult with in good faith the same processors used by other Institutions of Higher Education to collect and forward financial aid data on behalf of individual institutions: *Provided*, That the data forwarded to an institution relates only to applicants to that institution and the common process of does not disclose the identity of other institutions to which the applicant also applied, the standard of need adopted by those other institutions, or the financial aid or family contribution computed based on the standard of need adopted by those other institutions.

(b) Other than subsection (a)(1), nothing in subsection (a) shall affect the application of the antitrust laws to Institutions of Higher Education or shall affect the prohibitions of the consent decree in *United States v. Brown University et al.*, Civ. Action No. 91-3274 (E.D. Pa. 1991). No inference of unlawful contract, combination or conspiracy shall be drawn from the fact that Institutions of Higher Education engage in the conduct authorized in subsection (a)(1).

**AMENDMENT NO. 1677**

On page 297, after line 21, insert the following: "Nothing in section 499(C) shall relieve

processors of an all obligations under this section."

**AMENDMENT NO. 1678**

On page 401, line 17, strike "or".

On page 401, between lines 20 and 21, insert the following:

"(6) intends to teach in the areas of science or math; or

"(7) intends to teach on Indian reservations or in Alaska Native villages named or certified pursuant to section 3(c) of the Alaska Native Claims Settlement Act, Public Law 92-203, or in areas with high concentrations of Native Hawaiians.

**AMENDMENT NO. 1679**

(Purpose: To amend the determination of a student's cost of attendance regarding dependent care)

On page 241, line 23, strike "and".

On page 242, line 3, strike the period and insert a semicolon and "and".

On page 242, between lines 3 and 4 insert the following:

(3) by amending paragraph (7) to read as follows:

"(7) for a student with one or more dependents, an allowance for the expenses actually incurred by the student for dependent care for each child, except that such allowance shall not exceed the reasonable cost in the community in which such student resides for the kind of care provided (as determined by the institution);"

**AMENDMENT NO. 1680**

Since, substantial layoffs in the military and private sector have led to high unemployment rates:

Since, community colleges and vocational education centers are reporting significant increases in the requests for postsecondary vocational education and training;

Since, the Economic Dislocation and Worker Adjustment Assistance Act established by Public Law 100-418 authorizes grants to states for job training activities in the event of mass layoffs, plant closing and high unemployment; and

Since, the Secretary of Labor has the authority to make such grants;

Since, funds appropriated by Congress for this purpose have not been depleted;

Therefore, it is the sense of the Senate that the Secretary of Labor should move expeditiously to process applications for funds authorized by Public Law 100-418 for vocational education and training purposes.

**AMENDMENT NO. 1681**

(Purpose: To increase the amount of funds that may be used for programs under sub-titles C and D of title I of the National and Community Service Act of 1990)

On page 600, after line 24, insert the following:

**SEC. 1405. NATIONAL AND COMMUNITY SERVICE ACT OF 1990.**

(a) SUBTITLE C POST-SERVICE BENEFITS.—Section 132 of the National and Community Service Act of 1990 (42 U.S.C. 12452) is amended by striking "\$100 per week, or in excess of \$5,000 per year, whichever is less" and inserting "\$5,000 in fiscal year 1992, \$5,500 in fiscal year 1993 and \$5,700 in fiscal year 1994".

(b) SUBTITLE D POST-SERVICE BENEFITS.—Paragraph (1) of section 146(b) of the National and Community Service Act of 1990 is amended by striking "that is equal in value to \$2,500 for each year of service that such participant provides to the program" and inserting "for each year of service that such

participant provides to the program, which benefit shall be equal to \$2,500 in fiscal year 1992, \$3,000 in fiscal year 1993, and \$3,200 in fiscal year 1994".

On page 14, after the item relating to section 1404, insert the following:

**Sec. 1405. National and Community Service Act of 1990.**

Mr. NUNN. Mr. President, because S. 1150 raises the maximum amount of Pell grants over the next several years, I am offering an amendment to ensure that the National and Community Service Demonstration Program we authorized in 1990 will remain a valid test of the impact of postservice educational benefits.

The National and Community Service Act of 1990 authorized a demonstration program offering postservice higher education vouchers to participants. The amount of the voucher for full-time volunteers was calculated to offer a somewhat higher level of assistance than was available through the Pell Grant Program, to determine if the opportunity to earn higher benefits would attract a good cross-section of college bound young people to community service work.

My amendment would simply preserve the original intent of the 1990 legislation by raising the postservice benefits for full-time service by the same amount that we raise the maximum Pell grants in fiscal years 1993 and 1994—the second and third years of the 3-year demonstration program. I do not believe we need to change the authorization levels for this program to account for this small adjustment though due notice of the change should be taken when an appropriation is made for the demonstration program in fiscal year 1993.

I am pleased that Senator KENNEDY has indicated that the sponsors of S. 1150 have no objection to this amendment. I appreciate his cooperation in ensuring that today's action in improving access to higher education does not undermine yesterday's effort toward a complementary approach.

**AMENDMENT NO. 1682**

(Purpose: To include Economics as a key academic subject for purposes of State Academies for teachers)

On page 419, lines 16-17 delete the words "This part" and insert in its place "Subparts 1, 3, 4, and 5".

On page 419, line 19 after the words "Civics and Government" add the following new sentence "For purposes of subpart 2, the term 'Key Academic Subjects' means English, Mathematics, Science, History, Geography, Foreign Languages, Civics and Government, and Economics."

**AMENDMENT NO. 1683**

(Purpose: To provide scholarships for certain Olympic athletes)

On page 132, line 4, strike the end quotation marks and the second period.

On page 132, between lines 4 and 5, insert the following:

"Subpart 12—Olympic Scholarships

**"SEC. 420DD. OLYMPIC SCHOLARSHIPS.**

"(a) SCHOLARSHIPS AUTHORIZED.—The Secretary shall award scholarships to each ath-



lete who is training at the United States Olympic Education Center or a United States Olympic Training Center.

"(b) ELIGIBILITY.—The Secretary shall award scholarships under this part to both full-time and part-time students who are athletes described in subsection (a).

"(c) AMOUNT.—Except as provided in subsection (d), the Secretary shall award scholarships under this section in an amount sufficient to pay the cost to the athletes described in subsection (a) of tuition, room and board at an accredited institution of higher education.

"(d) PRO RATA REDUCTION.—If in any fiscal year in which the amount appropriated pursuant to the authority of subsection (f) is insufficient to award each athlete described in subsection (a) a scholarship under this section in the full amount described in subsection (c), then the Secretary shall make a pro rata reduction in the amount of each such scholarship awarded for such year.

"(e) APPLICATION.—Each athlete desiring a scholarship under this section shall submit an application to the Secretary at such time, in such manner and accompanied by such information as the Secretary may reasonably require.

"(f) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated \$6,000,000 for fiscal year 1993 and each of the 6 succeeding fiscal years."

Mr. RIEGLE. Mr. President, the amendment I am offering with my colleague from Michigan, Senator LEVIN, to the Higher Education Reauthorization bill provides grants to Olympic student athletes training at a U.S. Olympic Training Center or U.S. Olympic Education Center and studying at an accredited college or university.

The amendment authorizes \$6 million in grants for these student athletes. The grants would go directly to students for tuition, room and board.

The U.S. Olympic Committee is chartered by the U.S. Congress but has never received any congressionally appropriated funds. Athletes from across the Nation go through rigorous training, often at great personal sacrifice, to represent our Nation at the Olympics. Many of them have difficulty obtaining funding for school. They deserve Federal assistance to help them finance their education.

There are currently three active centers that train Olympic athletes, located in Marquette, MI, Lake Placid, NY and Colorado Springs, CO. A future site is planned for San Diego, CA.

The Marquette, MI, training facility is also an education center that is affiliated with Northern Michigan University. NMU enrolls 52 Olympic student athletes. They had received support from the State of Michigan for the program, but as part of the State's budget cutting efforts, this funding was rescinded. While the facility is in Michigan, the student athletes are from all across the country. Our Olympic athletes serve the entire Nation through their participation in the Olympic games. They truly represent the best our Nation has to offer. They deserve Federal support to make sure they can have an opportunity to obtain

an education, while dedicating themselves to serving their country.

I thank the distinguished committee chairman and subcommittee chairman for their assistance.

Mr. President, I ask unanimous consent that an Associated Press story on the U.S. Olympic Education Center be included in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

#### OLY—TROUBLED PROGRAM

(By Stephen Wilson)

Albertville, France.—The same three words pop up in the biographies of the U.S. short track speedskating athletes at the Winter Olympics: Northern Michigan University.

All the skaters are products of the university's Olympic Education Center in Marquette, Mich., the only facility in the country where athletes can train and study at the same time.

"If we win some medals here, and I think we will, you can trace the trail right back to NMU," said Jack Mortell, coach of the U.S. short track team.

But the trail may soon hit a dead end.

The highly successful program is on the verge of folding, the victim of budget cuts and the depressed economic situation in Michigan. Unless the school comes up with \$600,000 in private contributions, the center is expected to close in August.

"It would be a real loss," and Jim Page, director of grants and athlete assistance for the U.S. Olympic Committee. "It's a very unique program. We had hoped it would be a model for lots of other programs. I don't know what will happen if it closes. It's not like you can close down and move the athletes somewhere else."

Cathy Turner, America's best hope for a medal in the short track events beginning next week, can't conceive of a future without the NMU center.

"If it shuts down I don't even know where I'll be training," she said. "It's a big concern of mine."

The university was designated as a U.S. Education Center by the USOC in 1989. The center offers athletes a chance to combine training with high school, college and vocational studies. Some athletes live and study on campus full-time, while others train or compete at the center for short periods.

In addition to speedskaters, the school is currently a resident training base for cross-country skiers, biathletes, boxers and the U.S. badminton team.

Last fall, Michigan Gov. John Engler said he would not support the \$600,000 a year the State has given the program. The center also gets \$570,983 from the USOC, national governing bodies and the athletes.

While the main source of funding ran out at the end of the year, university president William Vandament has allocated \$250,000 of university reserves to keep the center open until the Summer Games begin in Barcelona on July 25.

Whether the center remains open beyond that will depend on the success of the university's fund-raising campaign. Corporations, businesses and the state legislature have been asked to help.

Of the 189 U.S. athletes in Albertville, officials say 53 have passed through the NMU center at one time or another—including the entire short track speedskating team of two men and six women.

"They gave us a home base," said Mortell. "They gave us continuity. They've done ev-

everything we've asked them to. If we wanted them to build a 10-foot pyramid of sand in the middle of the ice, they'd do it without asking."

The success of the program is best illustrated by Turner, who quit skating in 1980 but began a comeback at Northern Michigan in 1989. In addition to becoming a world-class athlete, she graduated last May with a degree in computer systems.

"If it weren't for the USOEC, then I never would have finished my education," said Turner, a native of Rochester, N.Y. "I was so surprised we even had a place like that. We could train and live there, as well as go to school. It doesn't get any better than that."

Turner doubts whether she could have made it to the Olympics without the regimented training offered at the university.

"I had constant supervision, a coach who lived, trained and worked with us," she said. "I couldn't have done it on my own, no way. I need somebody there. I need other people to train with me, to push me."

Even when she was away competing, the center made sure she received all the materials she needed to keep up with her classes. "They bent over backwards for me," Turner said. "They had an obligation to me. Maybe another university might not understand."

Although she graduated, she spent the fall semester on campus working on her other career—as a pop recording artist.

"In terms of training, the program can be duplicated," said Page, the USOC official. "But meeting the athletes' human and educational needs is not going to be easy to duplicate."

He singled out the boxing program, which has developed several potential members of the U.S. team for the Summer Games in Barcelona.

"It did some unique things, bringing kids out of central city environments and put them in school," Page said. "There have been some tremendous success stories. There's nothing else like it."

#### AMENDMENT NO. 1684

(Purpose: To direct the Secretary of Education to conduct a study of the impact of fraud-based defenses on the Stafford Loan Program)

On page 594, line 25, strike "1308" and insert "1309".

On page 595, line 2, strike "section" and insert "sections".

On page 596, line 10, strike the end quotation marks and the second period.

On page 596, between lines 10 and 11, insert the following:

#### "SEC. 1309. SATISFACTORY PROGRESS STUDY.

"(a) STUDY.—The Secretary shall conduct a study of the impact of fraud-based defenses on the Stafford Loan Program. Such study shall include—

"(1) an analysis of statutory, regulatory, and case law regarding the use of fraud-based defenses against repayment of Stafford loans;

"(2) an estimate of the total number of borrowers filing for relief from repayment of Stafford loans using a fraud-based defense and amount of such loan principal involved;

"(3) an estimate of Stafford loan principal relieved annually through fraud-based defenses;

"(4) an evaluation of the importance of a fraud-based defense to the protection of borrowers of Stafford loans; and

"(5) an evaluation of the effects of the availability of a fraud-based defense on the accessibility of Stafford loans by geographi-

cal area and by type of postsecondary institution.

"(b) DATE.—The study described in subsection (a) shall be completed not later than 18 months after the date of enactment of this Act.

"(c) REPORT.—

"(1) IN GENERAL.—The Secretary shall submit a report to the Congress on the study described in subsection (a) that makes specific recommendations for legislative options that may be needed to address the rights of borrowers with respect to the availability of fraud-based defenses under the Stafford Loan Program without jeopardizing the participation of lenders or the solvency of guaranty agencies required to maintain the integrity of such program.

"(2) DATE.—The report described in paragraph (1) shall be completed not later than 19 months after the date of enactment of this Act."

#### AMENDMENT NO. 1685

(Purpose: To prohibit activities relating to hazing)

At the appropriate place, insert the following new section:

#### SEC. —. HAZING.

Subsection (a) of section 487 of the Higher Education Act of 1965 (20 U.S.C. 1094(a)) is amended by adding at the end the following new paragraph:

"(13)(A) The institution should adopt a policy that prohibits a member of a student organization operating on or near such institution for the purpose of participating in student activities of such institution, to intentionally commit an act of hazing or conspire to commit an act of hazing against a member, potential member, or person pledged to be a member of the organization as a condition of attaining membership in the organization or of attaining an office or other status within the organization.

"(C) For the purposes of this paragraph, the term 'act of hazing' means the subjection of a person to bodily danger or physical harm or a substantial likelihood of bodily danger or physical harm, or to require, encourage, authorize, or permit that a person be subject to—

"(i) total or substantial nudity of the person;

"(ii) compelled ingestion of any substance which, because of the nature, amount, or concentration of such substance, subjects the person to a substantial likelihood of physical harm;

"(iii) wearing or carrying of any obscene article by the person;

"(iv) a physical assault upon or offensive physical contact with the person;

"(v) participation by the person in a boxing match, an excessive number of calisthenics, or any other physical activity which involves a substantial likelihood of bodily danger or physical harm;

"(vi) transportation and intentional abandonment of the person;

"(vii) confinement of the person to unreasonably small, unventilated, unsanitary, or unlighted areas;

"(viii) intentional sleep deprivation; or

"(ix) assignment of pranks to be performed by the person which involve the violation of any Federal, State, or local law, or which would subject the person or any other person to a substantial likelihood of bodily danger or physical harm.

"(D) This section shall not be construed to apply to legitimate curricular activities or activities of athletic teams of an institution of higher education."

#### AMENDMENT NO. 1686

(Purpose: To establish the Dwight D. Eisenhower Leadership Development Program)

On page 132, line 4, strike the end quotation marks and the second period.

On page 132, between lines 4 and 5, insert the following:

"Subpart 12—Dwight D. Eisenhower Leadership Program

#### "SEC. 420DD. SHORT TITLE.

"This subpart may be cited as the 'Dwight D. Eisenhower Leadership Development Act of 1992'.

#### SEC. 420EE. ESTABLISHMENT OF THE PROGRAM.

"(a) IN GENERAL.—The Secretary shall establish a program to be known as the 'Dwight D. Eisenhower Leadership Development Program'.

"(b) SPECIAL RULE.—The program assisted under this subpart shall be established in conjunction with institutions of higher education which are specially prepared to undertake the development of new generations of leaders in the areas of national and international affairs.

#### "SEC. 420FF. FUNCTIONS OF THE PROGRAM.

"The functions of the program assisted under this subpart shall include—

"(1) stimulating and supporting the development of leadership skills among new generations of American college students;

"(2) directing a national program that identifies, recruits, inspires, and educates outstanding young men and women regarding leadership roles in a wide variety of fields in both the public and private sectors;

"(3) offering opportunities for young American leaders to benefit from internships in national and international organizations, with special attention being given to establishing such opportunities in developing countries;

"(4) identifying potential leaders from the developing democracies and supporting their study of leadership and democracy in the United States;

"(5) developing a prototype for understanding and teaching critical leadership skills to young Americans and encouraging institutions of higher education to establish similar leadership programs throughout the United States and abroad; and

"(6) stimulating the theoretical and practical study of leadership and leadership development to develop both a better understanding of leadership and improved methods to teach critical skills to young adults.

#### "SEC. 420GG. OPERATION OF THE PROGRAM BY A PRIVATE NONPROFIT ORGANIZATION.

"The Secretary is authorized to make grants to or enter into cooperative agreements, contracts, or leases with private nonprofit organizations to operate the program assisted under this subpart.

#### "SEC. 420HH. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated \$10,000,000 for fiscal year 1993 and such sums as may be necessary for each of the fiscal years 1994 and 1995 to carry out this subpart."

Mr. PELL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. PELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PELL. Mr. President, what is the pending business?

The PRESIDING OFFICER. If there be no further debate, the question is on agreeing to the amendments en bloc.

The amendments (Nos. 1660-1686) were agreed to en bloc.

Mr. PELL. Mr. President, I move to reconsider the vote.

Mrs. KASSEBAUM. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. PELL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. SPECTER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### AMENDMENT NO. 1687

(Purpose: To establish the Dwight D. Eisenhower Leadership Development Program)

Mr. SPECTER. Mr. President, I am about to offer an amendment which I shall describe very briefly which is the Dwight D. Eisenhower Leadership Program, which directs the establishment of a national program to identify, recruit and recognize outstanding young men and women regarding leadership roles in a wide variety of fields in both the public and private sector.

Mr. President, at this time I send the amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Pennsylvania [Mr. SPECTER] proposes an amendment numbered 1687.

Mr. SPECTER. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 132, line 4, strike the end quotation marks and the second period.

On page 132, between lines 4 and 5, insert the following:

"Subpart 12—Dwight D. Eisenhower Leadership Program

#### "SEC. 420DD. SHORT TITLE.

"This subpart may be cited as the 'Dwight D. Eisenhower Leadership Development Act of 1992'.

#### "SEC. 420EE. ESTABLISHMENT OF THE PROGRAM.

"(a) IN GENERAL.—The Secretary shall establish a program to be known as the 'Dwight D. Eisenhower Leadership Development Program'.

"(b) SPECIAL RULE.—The program assisted under this subpart shall be established in conjunction with institutions of higher education which are specially prepared to undertake the development of new generations of leaders in the areas of national and international affairs.

#### "SEC. 420FF. FUNCTIONS OF THE PROGRAM.

"The functions of the program assisted under this subpart shall include—



"(1) stimulating and supporting the development of leadership skills among new generations of American college students;

"(2) directing a national program that identifies, recruits, inspires, and educates outstanding young men and women regarding leadership roles in a wide variety of fields in both the public and private sectors;

"(3) offering opportunities for young American leaders to benefit from internships in national and international organizations, with special attention being given to establishing such opportunities in developing countries;

"(4) identifying potential leaders from the developing democracies and supporting their study of leadership and democracy in the United States;

"(5) developing a prototype for understanding and teaching critical leadership skills to young Americans and encouraging institutions of higher education to establish similar leadership programs throughout the United States and abroad; and

"(6) stimulating the theoretical and practical study of leadership and leadership development to develop both a better understanding of leadership and improved methods to teach critical skills to young adults.

**"SEC. 420GG. OPERATION OF THE PROGRAM BY A PRIVATE NONPROFIT ORGANIZATION.**

"The Secretary is authorized to make grants to or enter into cooperative agreements, contracts, or leases with private nonprofit organizations to operate the program assisted under this subpart.

**"SEC. 420HH. AUTHORIZATION OF APPROPRIATIONS.**

"There are authorized to be appropriated \$10,000,000 for fiscal year 1993 and such sums as may be necessary for each of the fiscal years 1994 and 1995 to carry out this subpart."

Mr. SPECTER. Mr. President, at a Gettysburg College convocation on April 4, 1959, President Dwight D. Eisenhower issued a dramatic challenge to the Nation:

The future of our country depends upon enlightened leadership, upon the truly understanding citizen. We look to the citizen who has the ability and determination to seek out and to face facts; who can place them in logical relationships one to another; who can attain an understanding of their meaning; and then act courageously in promoting the cause of an America that can live, under God, in a world of peace and justice. These are the individuals needed in uncounted numbers in your college, your country, and your world.

More than 30 years after President Eisenhower issued this challenge, the Nation's need for skilled leadership at all levels is increasingly critical. To compete effectively in crowded world markets and to find solutions to domestic economic issues, the health-care crisis, and today's social problems, the Nation needs a new generation of leaders. Women and men who can influence and lead others are also needed to help solve problems prevalent in the emerging democracies of Eastern Europe and those of other parts of the globe.

Unfortunately, many of America's colleges and universities have done little to develop programs to educate young people to assume leadership po-

sitions. This sad situation is made more regrettable by the fact that recent studies of the subject have demonstrated that the critical leadership skills of analysis, communications, and coordination lie dormant within a wide diversity of people, and that with proper education and training many men and women can learn to exercise a positive influence in every facet of their daily lives.

What is needed is a program to use the current research to formulate and test a leadership development program that can be replicated in institutions of higher education and secondary schools throughout the Nation. Such a program should not be limited to a small elite, but it should be available to a wide spectrum of our Nation's students so that leadership skills will be widely distributed throughout the population. Likewise, the leadership program should be made available as an adjunct to students majoring in all disciplines, because leadership skills are needed in all fields, not just in politics or military life.

Such a program can have a multiplier effect on the Nation's other investments in education, because skilled leaders in all fields can devise solutions to make the expertise and effort of others much more effective. One could hardly think of a better method to enhance the Nation's competitiveness abroad or to strengthen our prosperity at home.

The amendment which I am offering today authorizes \$10 million in fiscal year 1993 to enable appropriate educational entities to digest the current research on leadership, design a curriculum to develop critical skills, test the curriculum in secondary schools and institutions of higher education, fine tune the model, and replicate the program in schools, colleges, and universities throughout the Nation.

One of the institutions that is currently developing such a program is Gettysburg College of Pennsylvania, and I would like to commend that institution for undertaking such activities. As an institution closely associated with Dwight D. Eisenhower, Gettysburg is helping ensure that Eisenhower's legacy of leadership will continue to exercise a beneficial influence on the Nation he loved. In adding our support for this leadership program, we will help meet the challenge that President Eisenhower clearly saw more than a quarter of a century ago as we honor one of the Nation's greatest leaders.

Mr. President, I have discussed this amendment with the distinguished managers, the distinguished Senator from Rhode Island and the distinguished Senator from Kansas. I have been advised that it is acceptable.

Mrs. KASSEBAUM. Mr. President, yes, it is acceptable to this side of the aisle.

Mr. PELL. It is acceptable on this side, too.

The PRESIDING OFFICER. Is there further debate? If not, the question is on agreeing to the amendment.

The amendment (No. 1687) was agreed to.

Mr. SPECTER. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. PELL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

**AMENDMENT NO. 1688**

(Purpose: To establish a dislocated workers educational training demonstration program)

Mr. SPECTER. Mr. President, I am about to send another amendment to the desk and ask for its immediate consideration. This is legislation which will establish a program to help retrain dislocated workers. It is modeled after a program currently operating at the Community College of Allegheny County in Pittsburgh. It was highly recommended by Chairman Forester, chairman of the Allegheny County Board of Commissioners. I visited the community college program and I think it is a good one.

I now send the amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Pennsylvania [Mr. SPECTER] proposes an amendment numbered 1688.

Mr. SPECTER. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in the bill, insert the following:

**SECTION . ELIGIBLE DISLOCATED WORKERS EDUCATIONAL TRAINING DEMONSTRATION PROGRAM.**

Part A of title IV of the Higher Education Act of 1965 (20 U.S.C. 1070 et seq.) is amended by adding at the end thereof the following new subpart:

"Subpart 9—Eligible Dislocated Workers Educational Training Demonstration Program

**"SEC. 420C. PROGRAM ESTABLISHED.**

"(a) PROGRAM ESTABLISHED.—

"(1) IN GENERAL.—The Secretary shall award grants to States to enable such States to pay the Federal share of establishing and operating eligible dislocated workers educational training demonstration programs in accordance with this section.

"(2) FEDERAL SHARE.—The Federal share shall be 50 percent.

"(3) AWARD BASIS.—The Secretary shall award grants under this section on the basis of the number of eligible dislocated workers in each State.

"(b) PROGRAM REQUIREMENTS.—Each State receiving a grant under this section shall use such grant funds to carry out an eligible dislocated workers educational training demonstration program that—

"(1) is designed to provide eligible dislocated workers with new skills through a variety of educational opportunities offered by institutions of higher education which are suited to such workers' goals, educational background, aptitude and skills;

"(2) leads to entry level job skills that assist an eligible dislocated worker to return to the work force;

"(3) only pays the cost of participating in such program which is not paid for by other Federal, State, or local grant programs; and

"(4) provides educational opportunities in programs that—

"(A) do not provide academic credit and which include academic skills improvement, job skills, and career and personal development; or

"(B) provide academic credit in one-year certificate granting programs or 2-year associate degree granting programs.

"(c) ELIGIBILITY.—

"(1) IN GENERAL.—An eligible dislocated worker is eligible to participate in a program assisted under this section if such eligible dislocated worker—

"(A) has applied for all Federal, State, and local grant assistance available to such eligible dislocated worker; and

"(B) is eligible for payments of unemployment compensation under Federal or State law.

"(2) SPECIAL RULE.—Notwithstanding any other provision of law, no individual shall be eligible to participate in a program assisted under this section if such individual—

"(A) completes such individual's education goal; or

"(B) returns to employment of at least 20 hours per week.

"(d) SPECIAL RULE.—The amount of an eligible dislocated worker's payments of unemployment insurance under Federal or State law shall not be increased or decreased as a result of assistance received under this section.

"(e) APPLICATION.—Each State desiring to receive a grant under this section shall submit an application to the Secretary at such time, in such manner, and accompanied by such information as the Secretary may reasonably require.

"(f) EVALUATION.—The Secretary shall evaluate the program assisted under this section every year.

"(g) DEFINITIONS.—For the purpose of this section—

"(1) the term 'eligible dislocated worker' has the same meaning given to such term by section 301(a) of the Job Training Partnership Act; and

"(2) the term 'public assistance' has the same meaning given to such term by section 4(20) of the Job Training Partnership Act.

"(h) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated \$5,000,000 for fiscal year 1993, and such sums as may be appropriate for each of the fiscal year thereafter.

Mr. SPECTER. Mr. President, the future of any country that depends on the will of its people is damaged whenever large numbers of its citizens are unemployed. Unemployment wastes lives and deprives men and women of their full share in the American dream. On the other hand, how well we develop and employ valuable human resources determines how much we can accomplish as a nation.

Sadly, more than 86,000 workers in my home State of Pennsylvania lost their jobs last year as a result of either

plant closures or general reductions in the work force.

We cannot accept this situation.

Our first imperative as a nation should be to help those individuals, in Pennsylvania and the rest of the country, reenter the work force.

Unfortunately, the Federal Dislocated Workers Assistance Program operated through the Job Training Partnership Act was able to assist less than one-tenth of the 86,000 workers in need of retraining.

I am now introducing legislation that will establish a new program to help retrain dislocated workers. This legislation, which is modeled after a program currently operating at the Community College of Allegheny County in Pittsburgh, would encourage institutions of higher education to address this problem. Under the program, \$5 million would be authorized to demonstrate effective and innovative approaches to preparing dislocated workers for reentry into the work force.

Instructional programs would be fashioned to suit the individual goals, background, aptitude, and skills of the participants. Programs would incorporate both credit and noncredit courses. Participants could enroll in credit courses that lead to 1-year certificate or 2-year associate degree programs, noncredit offerings would include academic skills improvement, job skills training, and career and personal development.

To the extent possible, each participant's tuition, fees, and books would be paid for by Federal and State student aid. The remaining costs would be covered by a Federal/State matching grant.

Participants who qualify for unemployment compensation benefits or public assistance would be eligible to continue to receive these forms of assistance while enrolled in the program.

I look to this legislation to support new training ventures—ones that will demonstrate the potential of retraining as a way to keep the labor force adaptable and, above all, to get our people back to work.

I urge my colleagues to join me in sponsoring this important measure.

Mr. President, I am advised by the distinguished managers that this amendment also is acceptable.

Mrs. KASSEBAUM. Mr. President, that is true. It is acceptable on this side of the aisle.

Mr. PELL. It is acceptable on this side of the aisle as well.

The PRESIDING OFFICER. Is there further debate? If not, the question is on agreeing to the amendment.

The amendment (No. 1688) was agreed to.

Mr. SPECTER. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. PELL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. SPECTER. I thank the Chair and I thank my distinguished colleagues for their cooperation.

Mr. PELL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BINGAMAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### AMENDMENT NO. 1689

(Purpose: To provide support for programs that are designed to create teaching and educational experiences that provide for the mutual consideration of the multicultural needs of United States citizens and the citizens of the Republic of Mexico in an effort to foster a better understanding of each group's language, culture, traditions, and values.)

Mr. BINGAMAN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from New Mexico [Mr. BINGAMAN] for himself and Mr. DOMENICI, proposes an amendment numbered 1689.

Mr. BINGAMAN. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 470, line 19, strike the end quotation marks and the second period.

On page 470, between lines 19 and 20, insert the following:

#### "PART M—BORDER TEACHER TRAINING

#### "SEC. 599AA COOPERATIVE BORDER TEACHER TRAINING.

##### "(a) INSTITUTIONAL SUPPORT.—

"(1) IN GENERAL.—The Secretary of Education is authorized to award grants to Higher Education Institutions for the purpose of expanding cooperative educational programs between state education agencies and offices, schools and school systems, postsecondary institutions, appropriate educational entities, and private sector establishments involved in education between the United States and the Republic of Mexico.

"(2) USE OF GRANTS.—Grants awarded under this subsection shall be for the purpose of providing bilateral teaching initiatives and programs that provide teacher training experiences between the educational communities of the United States and those of the Republic of Mexico and to enhance mutually beneficial educational activities involving researchers, scholars, faculty members, teachers, educational administrators, and other specialists to lecture, teach, conduct research, and develop cooperative programs.

"(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated \$2,000,000 for fiscal years 1993, 1994, 1995 and such sums as may be necessary for each fiscal year thereafter to carry out this part."

Mr. BINGAMAN. Mr. President, one of the important activities we are en-



gaged in, in addition to improving education, is trying to find new ways to work with our neighboring country of Mexico. There is a university in my home State of New Mexico that has a very innovative program called Hands Across the Border, which is a teacher-training program that involves sending of student teachers from the university down into northern Mexico to work with school districts and school-children there.

This program is one which I think has a great deal of merit. It is one which I hope can be replicated by other universities in border States and other States as well. So I am hopeful that the Secretary of Education will see fit to use some funds to support these kinds of programs.

The amendment that I have sent to the desk simply authorizes the Secretary of Education to go ahead and make grants to higher education institutions for the purposes of expanding cooperative education programs between State educational agencies, offices, schools, and school systems, postsecondary institutions, appropriate education entities, and private sector establishments involved in education between the United States and the Republic of Mexico.

Mr. President, on behalf of myself and my colleague, Senator DOMENICI, I urge my colleagues to support the amendment.

The PRESIDING OFFICER. Is there further debate?

Mrs. KASSEBAUM. Mr. President, it has been agreed to on this side.

Mr. PELL. Mr. President, it has been agreed to.

Mr. KENNEDY. Mr. President, I hope the Senate will accept it. One of the principal features of the legislation deals with teacher training, and I think the Senator from New Mexico has identified a very important area of need. We are grateful for his involvement in this issue as well as many other educational issues.

The PRESIDING OFFICER. Is there further debate?

If not, the question is on agreeing to the amendment.

The amendment (No. 1689) was agreed to.

Mr. BINGAMAN. Mr. President, I move to reconsider the vote.

Mr. KENNEDY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MITCHELL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mrs. KASSEBAUM. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

## AMENDMENT NO. 1690

(Purpose: To amend subpart 4 of part A of title IV of the Higher Education Act of 1965 to require the Secretary of Education to carry out an advanced placement test fee payment program, and for other purposes)

Mrs. KASSEBAUM. Mr. President, I send an amendment to the desk on behalf of Senator SEYMOUR and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Kansas [Mrs. KASSEBAUM], for Mr. SEYMOUR (for himself and Mr. STEVENS), proposes an amendment numbered 1690.

Mrs. KASSEBAUM. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 95 of the Committee amendment, between lines 2 and 3, insert the following:

**SEC. 416A. ADVANCED PLACEMENT TEST FEE PAYMENT PROGRAM.**

Subpart 4 of part A of title IV of the Act (20 U.S.C. 1070d et seq.) is amended by adding at the end thereof the following new section.

**"SEC. 4171. ADVANCED PLACEMENT FEE PAYMENT PROGRAM.**

"(a) PROGRAM ESTABLISHED.—The Secretary is authorized to make grants to States to enable the States to reimburse individuals to cover part or all of the cost of advance placement test fees, to low-income individuals who—

"(1) are enrolled in an advanced placement class; and

"(2) plan to take an advanced placement test.

"(b) INFORMATION DISSEMINATION.—the state education agency shall disseminate information on the availability of test fee payments under this section to eligible individuals through secondary school teachers and guidance counselors.

"(c) REQUIREMENTS FOR APPROVAL OF APPLICATIONS.—In approving applications for grants the Secretary shall—

"(1) require that each such application contain a description of the advance placement test fees the State will pay on behalf of individual students;

"(2) require an assurance that any funds recovered under this section shall only be used to pay advanced placement test fees; and

"(3) contain such information as the secretary may require to demonstrate that the State will ensure that student is eligible for payments under this section, including the documentation required by section 417A(g).

"(d) SUPPLEMENTATION OF FUNDING.—Funds provided under this section shall be used to supplement and not supplant other Federal, State, and local funds available to assist low-income individuals in paying for advanced placement testing.

"(e) REGULATIONS.—The Secretary shall prescribe such regulations as are necessary to carry out this section.

"(f) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated \$3,600,000 for fiscal year 1993 and such sums as may be necessary for each of the 4 succeeding fiscal years to carry out the provisions of this section.

"(g) DEFINITION.—As used in this section:

"(1) ADVANCED PLACEMENT TEST.—The term 'advanced placement test' includes only an advanced placement test approved by the Secretary for the purposes of this section.

"(2) LOW-INCOME INDIVIDUAL.—The term 'low-income individual' has the meaning given the term in section 417A(d)(2)."

Mr. SEYMOUR. Mr. President, I rise today with my distinguished colleague from Alaska, Senator STEVENS, to introduce the Higher Education Access Act, an amendment to the Higher Education Act of 1991. In this time of educational crisis and catastrophic unemployment, we should not be throwing our arms up in frustration, but reaching out to the young who are striving to grasp hold of opportunity that lies just beyond their reach. It is for those individuals I stand before this body today.

Each spring, thousands of our Nation's brightest high school students prepare to take the advanced placement tests in anticipation of attending a college or university in the fall. After a year of preparatory courses and practice exams, these students are given the opportunity to take the final advance placement exam which would determine the amount of college credit they will receive upon enrollment.

Unfortunately, as it is often said, everything has a price. These advance placement examinations require a \$65 test fee. Although this may not seem like an exorbitant amount for some students, for children of low-income families, it is money that could be used to feed the family, or a payment for a medical expenditure. Consequently, these students are often faced with a dilemma.

At this time, 8,958 or approximately 42 percent of all schools in the United States give the AP exam. The number of students taking this exam has increased by over 210,000 in the last 10 years alone, with a majority of students in 1990 receiving college credit. Since 1985, the number of minority students taking the AP exam was equal to the average number of minority students attending secondary schools nationwide. These are impressive statistics Mr. President, and the numbers will keep growing in the years to come if students are able to have financial access to the AP examinations.

These exams cover a wide range of academic areas including biology, chemistry, computer science, economics, English, French, physics and government which allow the students who successfully pass the exam, college credit equivalent to sophomore standing. In fact, approximately 1,200 institutions award a full year's credit to students passing three or more advanced placement examinations, upon review of the student's complete academic record.

The benefits are threefold: By completing advanced placement courses, students are more likely to achieve their goals in college. In addition, they

save both time and money through a quicker entry into advanced courses of their choice. The year they save through these AP credits would allow these students to study abroad, achieve honors, and accept internships.

Therefore, I present this legislation that would erase this problem from the boards of our Nation's classrooms, by exempting eligible, low-income students from these AP test fees. Students planning to take the advanced placement exam and those enrolled in the AP test courses who cannot afford the \$65 test fee, may now have the fee waived through an application submitted to the State education agency. This brief exemption form will be distributed with the AP test application to eliminate any unnecessary paperwork and possible time constraints for the students and for the instructors.

Mr. President, distinguished colleagues, we pride this Nation as a Nation of equal opportunity, as a Nation where everyone should have the chance to fulfill his or her own dream. Let us not ignore the educational needs of our children and of our students today, but provide them with the means to achieve their goals. Thank you Mr. President.

Mrs. KASSEBAUM. Mr. President, this amendment has been agreed to on both sides.

The PRESIDING OFFICER. Is there further debate on the amendment?

If not, the question is on agreeing to the amendment.

The amendment (No. 1690) was agreed to.

Mrs. KASSEBAUM. Mr. President, I move to reconsider the vote.

Mr. MITCHELL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MITCHELL. Mr. President, I ask unanimous consent that the following be the only amendments, other than the pending committee substitute, in order to S. 1150; that they be first-degree amendments only and subject to relevant second-degree amendments; that no motions to recommit be in order; and that if there are time limitations on any of these amendments, the same time limitations apply to any possible relevant second-degree amendments.

The amendments are: An amendment by Senator WELLSTONE relating to forgiveness, 20 minutes equally divided; an amendment by Senator SANFORD relating to State licensing requirements, 2 hours equally divided; an amendment by Senator PRYOR relating to the Perkins loan program, 30 minutes equally divided; an amendment by Senator DURENBERGER relating to access scholarships, 20 minutes equally divided; an amendment by Senator SPECTER relating to veterans hospitals, 20 minutes—10 minutes under the control of Senator SPECTER, and 10 under the control of Senator SHELBY.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SANFORD. Mr. President, reserving the right to object, I did not hear the first part of what the leader said.

Mr. MITCHELL. There is included in the list an amendment by Senator SANFORD relating to State licensing requirements with 2 hours of debate equally divided.

Mr. SANFORD. When will this debate take place?

Mr. MITCHELL. I anticipate that with respect to the Specter amendment, the last mentioned, if this request is agreed to, I will then seek consent to have that debate occur this evening with a vote on the Specter amendment to be at 9:30 a.m., and then the offering of and the debate on all of the other amendments listed to follow that tomorrow morning.

Mr. SANFORD. Mr. President, if I may simply state what bothers me.

Mr. MITCHELL. Certainly.

Mr. SANFORD. This is, I think, an effort to correct what I believe is a totally misguided conception by the staff of this committee, feeling that they ought to regulate all universities in the country under the power of the student loan program. It is a ridiculous duplication of effort. It puts on the State the necessity to create a new bureaucracy, as I see it.

All of the major institutional representatives here from the National Association of Independent Colleges and Universities, the American Association of Community and Junior Colleges, the Association of American Universities, the American Council on Education, the National Association of State Universities and Land Grant Colleges, and the American Association of State Colleges and Universities vigorously object to this legislation.

I see no way to correct it, certainly, without a proper ability to discuss it, and I am not sure on Friday when we have people peeling away from here that we would do justice to what I consider a very significant and thoughtful group that feels this is just one more interference from the Federal Government.

Why in the world should we use this title to force the States to declare that every college and university within that State has inadequate means of keeping student records. There must be a dozen other organizations and accrediting agencies that regard this as a duplication, with the staff feeling that somehow if they are going to lend the student money they have to control the fire hazards, they want reports on fire safety. I do not think it has anything to do with student loans and all the while we are missing the point that we are trying to stop fraud and abuse in the Student Loan Program.

We are not stopping fraud and abuse. We are adding a great layer, an unne-

cessary layer, of bureaucracy, and I am not satisfied to have this settled in a way that I think is not properly expressed on the floor, I am afraid, in the morning. We have bipartisan sponsorship for it. Senator COATS is a principal cosponsor.

Mr. MITCHELL. Mr. President, will the Senator yield?

Might I inquire if it is the Senator's request that there be additional time for debate on the amendment because of its significance? Would the Senator be agreeable to having 4 hours of debate equally divided, with 2 of those hours to occur right now, and then 2 additional hours tomorrow morning?

Mr. SANFORD. I have said what I want to say about it, that I think it is an outrageous example of Federal interference in an unnecessary way where there has already been so much interference. It would not serve any purpose for me to debate this 2 more hours tonight. We do not have the other sponsors available, and we will not have them in the morning.

I am inclined to leave this part of the Senate agreement dangling.

Mr. MITCHELL. Mr. President, if I might respond to the Senator, this is Thursday evening. Tomorrow is Friday. Where are other sponsors? The Senate is in session. The Senate is doing business. The managers are here. The Senate is here.

Mr. SANFORD. I will be here when it opens to start debate and will be available. But I am not inclined to agree to a time limitation.

Mr. MITCHELL. I appreciate that the Senator has the right to object, and if he so chooses he may do so.

Mr. President, I renew the request.

The PRESIDING OFFICER. Is there objection to the majority leader's request?

Mr. SANFORD. I object.

Mr. MITCHELL. Mr. President, would the Senator agree to a request which—

Mr. SANFORD. That is the only part I object to.

Mr. MITCHELL. I am about to ask that.

Mr. President, would the Senator object if I put the request again, limiting the amendments to those stated, and deleted the time limitation on the Senators amendment?

Mr. SANFORD. I would have no objection.

Mr. MITCHELL. Mr. President, then I renew the request just made, except that there be no time limitation on the one amendment by Senator SANFORD.

The PRESIDING OFFICER. Is there objection?

Mrs. KASSEBAUM. Reserving the right to object, Mr. President, and I would hope not to, but I had a request now on my side to add a Gramm amendment. Senator GRAMM has an amendment, and we are trying to find out how much time he would like, and Senator BROWN.



Senator GRAMM had said he would not offer his if there were not a number of controversial amendments that were going to come. But I think he feels now that he really does want to be able to offer his amendment.

Mr. MITCHELL. Is the Senator able to provide us with at least a general description of the amendment?

Mrs. KASSEBAUM. I am told it deals with crime, Mr. President.

Mr. MITCHELL. Senator GRAMM's amendment is a crime amendment?

Mr. DOLE. It is a crime bill.

Mr. MITCHELL. A crime bill. We will not have a time limitation on that.

Senator BROWN's amendment?

Mrs. KASSEBAUM. I am trying to find out what it is about. The Senator just called.

Mr. MITCHELL. Mr. President, I have attempted to reach an agreement on the manner that would permit us to leave for the evening and complete action sometime tomorrow. It is evident that is not going to be possible. We now have the indication that Senator GRAMM intends to offer the entire crime bill as an amendment to this bill.

Therefore, I suggest to the managers that we simply proceed; that those Senators who are here to offer amendments are free to do so. And we will just stay in session this evening as long as we can.

If the Senator does not come to offer an amendment, then we will proceed to a third reading, and we will proceed and have votes and go as long as we can tonight.

And then tomorrow—I have attempted to do this in a manner that would be accommodating to the interests of the largest number of Senators. Obviously, each Senator has a right to object. Several Senators have now expressed in one form or another dissatisfaction with proceeding as suggested. Therefore, I suggest we now proceed. It is my understanding that Senator SPECTER is ready to offer his amendment.

Mr. President, I will ask unanimous consent that Senator SPECTER be recognized to offer his amendment; that there be 20 minutes for debate on the amendment, 10 minutes under the control of Senator SPECTER and 10 minutes under the control of Senator SHELBY, and that at the conclusion or yielding back of that time, there be a vote on the Spector amendment.

Mr. DOLE. Mr. President, reserving the right to object; why could we not follow that with a Sanford amendment, and then have votes back to back?

Mr. MITCHELL. Mr. President, what I am suggesting is that any Senator who wants to offer an amendment lay it down tonight. We will proceed and debate and vote, and we will just keep going until we finish either tonight or tomorrow. Those Senators who will want to offer their amendments can do so.

Senator SANFORD is unwilling to agree to a time limitation. I do not know how we would do it back to back, since we have no indication as to when that will occur. I know Senator DURENBERGER is here. I hope perhaps he would be willing to offer his amendment, and we could complete action on that this evening, as well.

If Senator GRAMM is present, he can offer the crime bill and we can have a debate on that, as well.

The PRESIDING OFFICER. Is there objection?

Mr. DOLE. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

Mr. MITCHELL. Mr. President, I yield the floor. The Senator may proceed.

Mr. SARBANES. Mr. President, will the leader yield for a question? Maybe the Republican leader wants to stack votes. We could do the Spector amendment and then the Durenberger amendment, and then have votes on the two of them.

Mr. MITCHELL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. MITCHELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### UNANIMOUS-CONSENT AGREEMENT

Mr. MITCHELL. Mr. President, I ask unanimous consent that the following be the only amendments, other than the pending committee substitute, in order to S. 1150; that they be first-degree amendments only and subject to relevant second-degree amendments; that no motions to recommit be in order; and that, if there are time limitations on any of these amendments, the same time limitations apply to any possible relevant second-degree amendments.

The amendments are: An amendment by Senator WELLSTONE regarding forgiveness, 20 minutes equally divided; an amendment by Senator SANFORD relating to State licensing requirements with no time limitation; an amendment by Senator PRYOR relating to the Perkins loan program, 30 minutes equally divided; an amendment by Senator DURENBERGER regarding access to scholarships, 20 minutes equally divided; an amendment by Senator SPECTER relating to veterans' hospitals, with 20 minutes, 10 of which will be under the control of Senator SPECTER, 10 of which will be under the control of Senator SHELBY; an amendment by Senator BROWN regarding student loans, 10 minutes equally divided; an amendment by Senator SIMPSON regarding teacher training, 10 minutes equally divided.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. MITCHELL. I thank my colleagues. I thank the managers and the distinguished Republican leader.

Mr. KENNEDY. Mr. President, Senator PELL, Senator KASSEBAUM, and the rest of us are prepared to stay here and try to work through these various amendments even now that we have the time limitations. I hope that those Members who have listed their amendments will come to the floor, and we will try to deal with those this evening. We have made good progress today, and there is no reason we cannot continue to make that progress and shorten that list for tomorrow. I hope that our colleagues will come over here and permit us to move ahead so that we can, in the morning, at least give an indication to the membership how we can proceed for the rest of the day until final passage.

Mr. MITCHELL. Mr. President, I believe Senators SPECTER and SHELBY are prepared to proceed with respect to their amendment. I respectfully suggest that we proceed with that and, during that debate, which will be 20 minutes in length, that we consider when to have the vote on that amendment and how to proceed with respect to the others.

#### AMENDMENT NO. 1691

(Purpose: To prohibit the Secretary of Veterans Affairs from furnishing, or from obligating funds available to the Department of Veterans Affairs to furnish, health care in Department of Veterans Affairs facilities under a rural health care sharing program to persons not eligible for such care under chapter 17 of title 38, United States Code)

Mr. SPECTER. Mr. President, I send an amendment to the desk on behalf of Senators SHELBY, MCCAIN, DECONCINI, and myself and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Pennsylvania [Mr. SPECTER], for himself, Mr. SHELBY, Mr. MCCAIN, and Mr. DECONCINI, proposes an amendment numbered 1691.

Mr. SPECTER. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 607, below line 18, add the following new title:

#### TITLE XVI—MISCELLANEOUS

#### SEC. 1601. PROHIBITION RELATING TO THE PROVISION OF CERTAIN HEALTH CARE UNDER SHARING PROGRAM.

(a) PROHIBITION.—Notwithstanding section 8153 of title 38, United States Code, or any other provision of law, the Secretary of Veterans Affairs may not furnish, and funds appropriated or otherwise made available to the Department of Veterans Affairs (including funds to the Department by the Department of Health and Human Services) may

not be used by the Secretary to furnish, hospital care or medical services under the program referred to in subsection (b) to any person who is not eligible to be furnished such care or services under chapter 17 of title 38, United States Code.

(b) COVERED PROGRAM.—The prohibition referred to in subsection (a) applies to the demonstration project for the furnishing of health care in certain rural facilities of the Department entered into between the Secretary and the Secretary of Health and Human Services that is commonly known as the Rural Health Care Initiative.

In addition 1(b), amended the table of contents by adding after the item relating to section 1506 the following new matter:

**TITLE XVI—MISCELLANEOUS**

Sec. 1601. Prohibitions relating to the provision of certain health care under sharing program.

Mr. SPECTER. Mr. President, this amendment would terminate the so-called rural health care initiative by withholding any additional funding for the carrying out of an agreement between the Department of Veterans Affairs and the Department of Health and Human Services, which has been described in a memorandum of understanding between VA and HHS, dated December 6 and December 24, 1991, where facilities of the Department of Veterans Affairs were to be used for treatment of nonveterans with reimbursement by the Department of Health and Human Services.

Mr. President, the reason for this amendment is that this is a major change in the administration of the Department of Veterans Affairs for nonveterans, without having any hearings or any determination as to how the program is to be administered.

My distinguished colleague from Alabama, Senator SHELBY, has offered a bill (S. 2183) to eliminate authorization. I had offered a bill (S. 2188) to withhold the funding, and we have combined them for the purpose of this amendment this evening.

There is no doubt, Mr. President, that the Department of Veterans Affairs does not have sufficient funds to carry out its mandate for the veterans of America. Now there has been an agreement between the Secretary of Veterans Affairs and the Secretary of Health and Human Services—and I have no quarrel with their good-faith effort to accomplish a purpose which they believe in—but the result has been a diversion of resources from the veterans. There has not been a hearing by the relevant committees. I serve as the ranking Republican on the Senate Veterans' Affairs Committee, and there has not been any systematic analysis of this proposal.

Mr. President, I doubt very much that it is possible, realistically, to convert veterans' facilities for the use of nonveterans and still carry out the mandate to provide health care for veterans. I think that is highly unlikely. But before any such program is put into effect, at a minimum their ought

to be consideration by the relevant committees, the Veterans' Affairs Committee, on which I serve in the Senate, and the companion committee in the House; and the veterans should have an opportunity to come in and speak to the issue. There should be an analysis of what facilities anyone thinks are excessive in any locale.

In pursuing this amendment, we do not wish to deprive any nonveterans of any care. The issue of health care is one of overwhelming importance, categorized with public attention being caught by the distinguished Senator from Pennsylvania, who is presiding at the moment, Senator HARRIS WOFFORD. That issue is going to have to be addressed by the Congress, and I am confident, with the action already taken, that there will be action by the Senate this year, in this term, on the health care issue. It simply is inappropriate on this state of the record to take away facilities from the veterans and convert it to nonveteran uses, thus causing a tremendous amount of anxiety and concern. This is one of many steps where there is insufficient care being given to the veterans of America.

How much time do I have remaining?

The PRESIDING OFFICER. Nine minutes are remaining.

Mr. SPECTER. I will reserve some time for Senator SIMPSON, who wished to come to the floor and speak. Now I yield to my distinguished colleague from Alabama.

Mr. SHELBY. Mr. President, I stand here tonight along with my distinguished colleague from Pennsylvania, to ask my fellow Senators to support this amendment that will put an end to a grave injustice. An injustice to our Nation's veterans. The rural health care initiative is an ineffective solution to a desperate problem. The program plays disadvantaged groups against one another. Such a policy is both cynical and unjust.

While this program has been praised in some quarters as an innovative policy that addresses the deficiencies of rural health care, I contend that the program, if fully implemented, would only worsen the wretched conditions in the veterans medical system, and would remedy none of the deficiencies in rural health care.

No one is more painfully aware than I of the current crisis in rural health care. In the past decade, my home State of Alabama has seen numerous closings of rural hospitals, and a steady decline in the delivery of rural health care. I am a staunch proponent of quality, affordable health care for all Americans, rural or urban. Yet, such health care should not be provided at the expense of our Nation's veterans. Despite the DVA's claim to the contrary, the rural health care initiative will cost our veterans a further share of their ever decreasing and declining benefits.

For this policy to be successful it must avoid one primary pitfall. The initiative must not interfere with the DVA's ability to deliver health care to all qualified veterans and qualified dependents.

Veterans must not be turned away from facilities as a result of the added pressure of treating HHS cases, nor should the quality of their care decline.

Mr. President, there can be no doubt that should this program move from the pilot stage to large scale implementation, in the coming decade such a program will over burden an already understaffed, and under funded veterans hospital system. Numerous studies show that during the next two decades the number of veterans over the age of 75 will increase by nearly 200 percent. In addition, the DVA's own commissioned study stated that at present funding levels, the veterans health care system cannot possibly meet its future obligations to veterans.

A clear picture emerges of an overburdened and under funded system. Everyday my constituents write me with account after account of the poor health care and the long delays in acquiring treatment within these veterans' facilities. What leads the Secretary to believe that any additional pressure on these hospitals, at present funding levels will do anything other than worsen an already deplorable situation for our nation's veterans? Presumably this program would affect only those hospitals that are under capacity. The director of the veterans hospital in Tuskegee, AL, one of two pilot hospitals in this program, notes that in terms of unused capacity his hospital has very few vacant beds.

To worsen matters still, the treatment of nonveterans in these facilities may provide treatment to nonveterans that is not available to veterans themselves. We all know of the often complicating and confusing nature of veterans health care programs. Often a veteran may qualify for the treatment of one condition while being denied treatment for another. How does it look for a facility constructed and chartered to serve the needs of veterans, to provide services to individuals on a third-party payment plan, while denying the same procedure to a veteran in the same facility? The Secretary promises that veterans will see no reduction in services. Demographic trends and funding levels suggest that reduction will take place, regardless of whether or not the rural health care initiative becomes a full scale program in the future.

The initiative will only serve to further reduce the quality of programs already in dire need of help. VA facilities have been asked to do more with less for many years. Generally, they have done less with less, and such reductions, or added responsibilities have only been to the detriment of our Nation's veterans.



The most compelling objection to this program, however, is a moral one. The Secretary stated last week that no promise was made to our Nation's veterans for an exclusive health care system. I strongly disagree with this assertion. Only a year ago, right here in this body, we praised the bravery of our Nation's veterans, and appreciated in the most direct manner their sacrifices for our Nation's security and welfare. Yet simultaneously we continued to pass veterans budgets that did not measure up to our stated appreciation.

Everyday our veterans suffer great indignities in these under supported facilities. Now we ask them to suffer one more indignity, and to believe one more promise, that they will not suffer in the name of innovation and administration. Veterans hospitals are the exclusive domain of veterans and their qualified dependents. I cannot support any program that in any way reduces further the dignity of our Nation's veterans, or further erodes the commitments to certain exclusive services to them for their sacrifice to our Nation. This policy is neither reasonable nor is it right.

I ask my colleagues to join me in support of this Specter-Shelby amendment.

I yield back my time.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SPECTER. Mr. President, I ask unanimous consent that Senator NICKLES and Senator BURDICK be added as original cosponsors.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DECONCINI. Mr. President, I rise in support of the pending amendment by Senators SPECTER and SHELBY to prohibit further implementation of the Department of Veterans Affairs rural health care initiative demonstration project. I believe that the authors of the amendment have proposed a practical, temporary solution to the current controversy. In light of the rhetoric on both sides of the issue, it only seems prudent to set aside the rural health care initiative until the administration and congressional proposals on health care eligibility reform have been considered by the House and Senate Committees on Veterans' Affairs.

For all concerned, I would have preferred that this matter be handled differently and at another time—it certainly seems to this Senator that the most important issue here is access and availability of medical care for veterans at VA facilities, not non-veteran access to VA facilities. The VA has a very long history of cost-effective treatment of nonveterans via sharing arrangements with other agencies, including the Indian Health Services and the Department of Defense.

Without such arrangements, some VA medical centers could not provide a

full range of medical treatment to veterans in their community given medical certification requirements that mandate that a minimum number of procedures be performed each year by the facility. The reasons for that are obvious. Physicians must keep up their practice or health care quality suffers. In many areas of the country, there simply aren't many veterans suffering from certain afflictions. Consequently, if the VA does not allow treatment of nonveterans in these situations, veterans would be the first to suffer. Southern Arizona veterans requiring kidney dialysis are very familiar with this issue. Without access of nonveterans to VA facilities requiring kidney dialysis, southern Arizona veterans would be required to travel hundreds of miles several times a week for treatment.

Mr. President, I have been working on the real issue here—veteran health care eligibility reform—for many months. In fact, I intend to introduce the first attempt at comprehensive legislation on this issue tomorrow. I do not intend to get into the details of this legislation now, but would like to acknowledge that this legislation was drafted by the Disabled American Veterans. Although I have not committed myself to support each and every provision in this legislation, I intend to do all that I can to expedite consideration of the American Veterans' Health Care Reform Act of 1992. I would also note that Chairman CRANSTON has shown great leadership on this issue, and has expressed his intent to pursue health care eligibility reform legislation in the near future.

In conclusion, I would like to thank my friend and distinguished colleague on the Senate Committee on Veterans' Affairs for taking swift action here tonight. As the committee's ranking member, Senator SPECTER has demonstrated great leadership on many important issues to the veteran community. The amendment's coauthor, my esteemed Democratic colleague from Alabama, Senator SHELBY, deserves great credit as well for bringing this issue to the attention of the Senate. I am pleased to be an original cosponsor of the amendment.

Mr. SPECTER. To recapitulate, Mr. President, as I said on February 5, when I introduced S. 2188, the merits of this issue involve the utilization of veterans' hospital facilities or personnel in certain areas of the United States for medical services for nonveterans. That is a proposition that I strongly oppose for a simple reason: The veteran's health care program in the United States today is inadequate.

I believe spaces in VA hospitals should, except in extremely limited situations, be reserved for veterans who have earned those spaces. This is particularly true now, when fiscal constraints are forcing veterans hospitals to turn away eligible veterans. We are

turning away those eligible veterans from the very facilities designed by law and national commitment to serve them while, at the same time, opening the doors of these same facilities to nonveterans.

The country is in the midst of national debate about the quality and adequacy of health care for all citizens. I think that it is fair to state that the veterans' health care program is probably as close as we come to having a national health program. Today, there are 172 veteran hospitals and 341 outpatient clinics in this country trying to serve up to 27 million veterans. And yet we have not adequately funded the VA program. In my view, the lesson to be learned is that until such time as we demonstrate the commitment and funds to provide health care services to this segment of our population, we cannot promise the larger segment of our population that whatever national care program we provide will be adequate.

I believe that Secretary Derwinski's and Secretary Sullivan's motives are of the highest order. I think that they are sincere in their view that this initiative would expand availability of medical care in rural areas without diminishing services to veterans. Secretary Derwinski, in particular, has fought hard and well within the administration to secure more funds for veterans' health care during his tenure as Secretary of Veterans Affairs. However, until we are able to replace veterans' health care resources lost over the past decade through inflation and other pressing priorities, we should not be indulging in new initiatives at the expense of veterans.

Therefore, in all good conscience, I cannot support Secretary Derwinski on this critical issue. I have heard from thousands of veterans, from Pennsylvania and from around the country. I believe—as they do—that opening the veterans' health care system in this way is simply the wrong idea at the wrong time.

For these reasons, Mr. President, I urge my colleagues to support this amendment to end the rural health care initiative.

Mr. President, just one additional word before yielding back the remainder of the time here. It may well be that, following hearings and analysis, some space in VA hospitals could conceivably be available for nonveterans. Based on my own experience I have grave doubts about that, but it is not wise at all to permit this program to go forward without having the legislative authorization, without having hearings to make a determination as to just what is available without jeopardizing the care of the veterans. That is why this amendment is being pursued at this time.

I thank the Chair.

I yield back the remainder of the time and acquiesce with what the ma-

majority leader seeks with respect to the timing of the vote.

But I do ask for the yeas and nays, Mr. President.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. MITCHELL. Mr. President, I ask unanimous consent that the vote on the amendment by Senators SPECTER and SHELBY occur at 9:15 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MITCHELL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MITCHELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MITCHELL. Mr. President, I ask unanimous consent that the previous agreement be modified to delete the amendment by Senator WELLSTONE.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MITCHELL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MITCHELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MITCHELL. Mr. President, I ask unanimous consent that the previous agreement be modified in the following respects: That the amendment to be offered by Senator BROWN be deleted; that there be 2 hours equally divided in the usual form for debate on the Sanford amendment; and that Senator SANFORD be recognized to offer his amendment immediately upon the disposition of the Specter amendment.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. MITCHELL. Mr. President, I thank my colleagues.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. MITCHELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### ORDER OF PROCEDURE

Mr. MITCHELL. Mr. President, there will be no further rollcall votes this

evening. Under the previous agreement, there will be a vote beginning at 9:15 a.m. tomorrow on the Specter-Shelby amendment. Immediately following that vote, Senator SANFORD will be recognized to offer his amendment under a 2-hour time limitation.

There remain on the list possible amendments by Senators PRYOR, DURENBERGER, and SIMPSON. I am advised by the managers that there is a high level of possibility that all or most of those amendments will be worked out so as not to require rollcall votes and that they will be worked out this evening. If that occurs, then for tomorrow Senators can expect a vote on the Specter amendment, debate and vote on the Sanford amendment, and then final passage on the bill. If any of the other three amendments—those to be offered by Senators PRYOR, DURENBERGER, or SIMPSON—are for some reason not worked out, then those will be added in the morning under the time limitations set forth in the agreement.

I want to thank all concerned, especially the distinguished managers, Senator PELL, Senator KENNEDY, and Senator KASSEBAUM. This is a very important bill which deals with a subject of interest to each Senator and to most Americans. When we originally scheduled this bill, I, following discussion with staff and Senators interested in the subject, anticipated that it would take at least 2, and possibly 3 or 4 days to complete action on the bill. It now appears certain that we will complete action on the bill tomorrow, hopefully at a reasonably early hour, and that is a significant achievement for which the Senators involved, and especially the three that I mentioned—Senators KENNEDY, PELL, and KASSEBAUM—deserve great credit and the congratulations and thanks of all Senators.

Mr. KENNEDY. Will the Senator yield?

Mr. MITCHELL. Yes.

Mr. KENNEDY. We have probably adopted about 15 amendments in the last 1½ hours. I am wondering if there can be a consent agreement, if technical agreements are agreeable to Senator PELL and Senator KASSEBAUM, that it be in order, if it is agreeable to those two floor managers, because they have been basically the ones who have been sharing the burden and responsibility here.

As I have just been looking back through one amendment, there does have to be a technical change on it. We have tried to accommodate in good faith the Members. We moved very rapidly.

Would the majority leader ask consent that, if there is an amendment that has to be offered to any of the amendments that have just been agreed to that would be of a technical or confirming nature agreeable to the floor managers, it be in order that they be able to so amend them.

Mr. MITCHELL. Mr. President, I ask unanimous consent that the agreement be so modified.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. I thank the leader.

Mr. MITCHELL. Mr. President, I thank my colleagues and I yield the floor.

Mr. PELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island.

#### AMENDMENT NO. 1692

(Purpose: To provide for model programs and educational excellence)

Mr. PELL. Mr. President, on behalf of the Senator from Wyoming [Mr. SIMPSON], I send an amendment to the desk and ask for its immediate consideration. This amendment has been agreed to on both sides and I would ask that it be accepted.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Rhode Island [Mr. PELL], for Mr. SIMPSON, proposes an amendment numbered 1692.

Mr. PELL. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

S. 1150 is amended as follows: In title V, after Part O, insert the following: Part P—Small State Teaching Initiative.

(1) PURPOSE.—It is the purpose of this section to provide sufficient funds to small states to develop model programs for educational excellence, teacher training and educational reform.

(2) PROGRAM AUTHORIZED.—The Secretary is authorized to make grants to land grant institutions for the purpose of enhancing and improving the quality of teacher education, training, and recruitment in the Nation's smallest states.

(3) INSTITUTIONAL USE OF FUNDS.—Eligible land grant institutions receiving funds under this section may use such funds for the development of innovative teaching techniques and materials, preservice and inservice training programs, renovation of training facilities and construction of model classrooms. Special consideration should be given to proposals that include the rehabilitation of historic education facilities.

(B) ALLOTMENT OF FUNDS.—The Secretary shall allot funds in equal portions among the eligible applicants.

(C) DEFINITIONS.—

(1) SMALL STATE.—For the purposes of this section the term "Small State" includes the several states whose population is in each case less than 1,108,500 as reported in the 1990 Census of Population and Housing.

(2) LAND GRANT INSTITUTIONS.—For the purposes of this section the term "land grant institution" refers to those institutions in each state now receiving benefits under the Act of August 30, 1890 (26 Stat. 417-419, as amended).

(D) APPLICATION—IN GENERAL.—Any eligible institution which desires to receive an allotment under this section shall submit to the Secretary an application which—

(1) certifies that the state educational agency has approved the plan and entered into a partnership for its implementation;

(2) provides for a process of active discussion and consultation with an advisory com-



mittee convened by the state educational agency and the eligible institution;

(3) describes how the institution will use the funding;

(4) describes how the plan will be evaluated for dissemination.

(B) AUTHORIZATION OF APPROPRIATIONS.—For the purposes of this part there are authorized to be appropriated \$5,000,000 for fiscal year 1993 and such sums as may be necessary in each of the six succeeding fiscal years.

Mr. PELL. Mr. President, I would suggest that we vote favorably on this amendment.

The PRESIDING OFFICER. All time is yielded back. The question is on agreeing to the amendment.

The amendment (No. 1692) was agreed to.

Mrs. KASSEBAUM. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. PELL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. KENNEDY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KENNEDY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### AMENDMENT NO. 1681, AS MODIFIED

Mr. KENNEDY. Mr. President, I ask unanimous consent that Nunn amendment 1681, previously agreed to, be modified, and I send a modification to the desk.

The PRESIDING OFFICER. Is there objection?

Mr. KENNEDY. Mr. President, I urge the acceptance of the modification.

The PRESIDING OFFICER. The amendment is so modified.

The amendment (No. 1681), as modified, is as follows:

On page 600, after line 24, insert the following:

#### SEC. 1405. NATIONAL AND COMMUNITY SERVICE ACT OF 1990.

(a) SUBTITLE D POST-SERVICE BENEFITS.—Paragraph (1) of section 146(b) of the National and Community Service Act of 1990 is amended by striking "that is equal in value to \$2,500 for each year of service that such participant provides to the program" and inserting "for each year of service that such participant provides to the program, which benefit shall be equal in value to \$2,500 for each such year, and which benefit shall be adjusted to match any increases in the maximum Pell grant as provided by the annual appropriation."

On page 14, after the item relating to section 1404, insert the following:

#### Sec. 1405. National and Community Service Act of 1990.

Mr. FORD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. PELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### AMENDMENT NO. 1693

Mr. PELL. Mr. President, I send to the desk a technical amendment which has been cleared by the minority and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Rhode Island [Mr. PELL] proposes an amendment numbered 1693.

Mr. PELL. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 309, line 20, insert "subparts 1 and 4 of part A, part B and part G of" after "to".

Mr. PELL. Mr. President, I urge adoption of the amendment.

The PRESIDING OFFICER. Is there further debate?

If there be no further debate, the question is on agreeing to the amendment.

The amendment (No. 1693) was agreed to.

Mr. PELL. Mr. President, I move to reconsider the vote.

Mr. FORD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. PELL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mrs. KASSEBAUM. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### AMENDMENT NO. 1694

Mrs. KASSEBAUM. Mr. President, I send an amendment to the desk on behalf of Senator DURENBERGER and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Kansas [Mrs. KASSEBAUM], for Mr. DURENBERGER, proposes an amendment numbered 1694.

Mrs. KASSEBAUM. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 101, line 8, strike "\$100,000,000" and insert "200,000,000."

On page 101, line 21, strike "for a period of 2 academic years" and insert "for a period of 4 academic years, or in the case of a student who is enrolled in an undergraduate course of study that requires attendance for the full-time equivalent of 5 academic years."

On page 101, line 9 strike "fiscal year 1995" and insert "fiscal year 1993".

Mrs. KASSEBAUM. Mr. President, this amendment, changes the ACCESS scholarships by increasing the authorization to \$200 million, making scholarships available to students for 4 rather than 2 academic years, and establishes an effective date of fiscal year 1993 rather than in fiscal year 1995. The ACCESS program provides a special grant for students who pursue rigorous academic subjects in high school.

It is agreed to by both sides. I think it is a very worthwhile amendment.

Mr. PELL. Mr. President, I add, this has been agreed to on this side. It is an excellent amendment.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I am very enthusiastic about this amendment. This was a proposal that, really, took the content of the "I have a dream" proposal which demonstrated very clearly that young people even from some of the most disadvantaged communities across the country had a realization that after they completed their high school they would be able to go on to college; that this really provided an enormous sense of new hope and dedication and perseverance by the young people.

So we had moved in and offered \$100 million, which we thought was a pretty good beginning for this program. It is not often that we are one-upped on expenditures or spending—the Senator from Rhode Island and ourselves.

If my good friend, Senator DURENBERGER, wants to double that amount, I just want him to know we certainly, as far as I am concerned, more than enthusiastically support the proposal. I think it is well worth the additional kinds of authorization and I think it is one of the parts of this bill that, although maybe small in terms of overall authorization, offers an enormous amount of hope in terms of keeping children in school and ensuring that children that do graduate will continue their educational experience.

So I commend Senator DURENBERGER and commend Senator KASSEBAUM.

Mr. DURENBERGER. Mr. President, I rise to offer an amendment authorizing a new merit-based bonus scholarship program for Pell grant recipients called the Excellence Scholarship Program.

This amendment is intended to expand and improve upon the Access Scholarship Program authorized by the legislation we now have before us.

My amendment includes what I believe is an outstanding feature in the Access Scholarship Program now included in S. 1150—encouragement to States to upgrade college preparatory offerings in high schools and communication to students as early as while they are in junior high school about the value of preparing for college.

And my amendment provides an extra incentive and bonus to lower in-

come students who work hard and who demonstrate outstanding academic achievement and ability throughout their undergraduate career.

The excellence scholarship amendment, Mr. President, promotes the belief that the national Government should reward quality and excellence by providing additional assistance to students based on merit to Pell grant recipients—with merit defined in ways that promote both college readiness and academic excellence.

This amendment doubles the amount of money available under S. 1150 from \$100 to \$200 million per year to finance a \$1,000 Pell bonus grant to individuals who have demonstrated excellence and achievement, either in high school or in college.

One criticism of past proposals aimed at rewarding merit, Mr. President, has been that they are too inflexible in defining merit, and that they have unfairly hindered participation of disadvantaged or low-income students.

For many lower income, minority, and at-risk students, those traditional measures of academic excellence just won't work.

This amendment, addresses that concern, Mr. President, by including a qualifying category of students participating in TRIO programs—or TRIO-like programs designated by the Secretary of Education.

And, this amendment makes it possible for students to continue receiving excellence scholarships for up to 5 years so long as they agree to achieve certain academic milestones and make significant progress toward achieving those academic milestones.

Mr. President, the legislation we have before us will gradually increase the maximum Pell grant for all eligible students to help meet the rising cost of higher education.

But, for many deserving students, those increases still will not go far enough. I think all of us would like to be able to do more.

The Excellence Scholarship Program—authorized by this amendment allows us to do that for students who show the most potential for benefiting from a college education.

The Excellence Scholarship Program will help thousands of high achieving—and high potential low-income students close that gap.

Finally, Mr. President, the excellence scholarship amendment promotes the value of encouraging sound preparation for college.

Just like we need more attention to school readiness for very young children, Mr. President, we need more attention to college readiness during high school and in advance of college.

That is a goal highly consistent with the President's America 2000 initiative.

Properly implemented, this amendment offers an important incentive to States and their secondary schools to

improve the quality of college prep courses.

And, properly communicated, it offers a good incentive to lower income students to take college prep courses while they're still in high school.

This amendment signals a new commitment on the part of the national Government to recognizing excellence, encouraging sound preparation for college, and rewarding those who work hard and who meet their goals.

Mr. President, I want to thank my colleagues on the Labor Committee for their input and acceptance of this amendment, in particular Senators KENNEDY, PELL, KASSEBAUM, SIMON, and HATCH. I greatly appreciate the bipartisan spirit that propelled this excellent idea to an accepted amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 1694) was agreed to.

Mrs. KASSEBAUM. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. PELL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. KENNEDY. Mr. President, I ask unanimous consent that the majority leader's unanimous-consent request be further modified therefore to exclude the consideration of the Durenberger access scholarship amendment with a designated 20 minutes tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. I thank the Senators. We reduce those numbers, and I think we have good opportunity to have further progress during the evening. It is certainly our intention to continue to work forward on that.

I think the leader expressed it well. As I see it, the Pryor-Perkins Loan Program modification, which has 30 minutes, is at the point of being drafted. As soon as it is drafted, we will share it with Senator KASSEBAUM. Quite interestingly, it has some possibilities, and hopefully we did find common ground.

The Specter amendment, as the majority leader said, will be the order of business, and the teacher training amendment, which has 10 minutes, and the very important Sanford amendment, which has been referred to earlier.

So we have made very good progress. We are hopeful that we can continue to work with the interested parties, with the Senator from North Carolina, and possibly have that issue resolved. It is a very important one and I think all of us who heard the Senator from North Carolina speak this evening know of his very strong and deep feelings on this.

It is an important measure, and I think now that we have been able to

work out a number of these proposals, we can give full focus and attention to that.

Mr. FORD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. FORD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### STUDENT LOAN ELIGIBILITY

Mr. LEVIN. Mr. President, I would like a moment to address the manager of the bill and chairman of the Labor Committee, Senator KENNEDY, about a matter which has been the subject of ongoing discussions with the Labor Committee, and with officials of the U.S. Department of Education.

When Congress enacted the Student Loan Default Prevention Initiative Act within the Omnibus Budget Reconciliation Act of 1990, we statutorily exempted historically black and tribally controlled colleges and universities from the student default penalties until 1994. Our intent was to recognize the unique and vital contribution made to American higher education by these important institutions and the special challenges they face in serving students from historically disadvantaged backgrounds.

As the chairman is well aware, there are certain nonprofit colleges which, though neither technically nor historically qualifying as historically black or tribally controlled institutions, currently serve similarly very high proportions of socially and economically disadvantaged students and fulfill similar missions. The vitally important role and special challenges of these nonprofit colleges in serving disproportionate numbers of disadvantaged students must also be recognized with protections.

As the chairman is also aware, Congress directed that the Secretary, in the application of the Student Loan Default Prevention Initiative Act, should recognize "exceptional mitigating circumstances" by which other colleges or universities might appeal exclusion from the guaranteed student loan programs. However, current regulations fail to give them a realistic opportunity to be fairly recognized with the "exceptional mitigating circumstances" category of appeal.

One such institution, Mr. President, is Jordan College in my home State of Michigan. Jordan is a 4-year, nonprofit, independent college with a mission to serve high-risk, underserved communities. Its student population consists of 60-percent single parent; 60-percent minority; and 80-percent below the poverty level as set by the Office of Management and Budget.

For a while, it was thought that Jordan College would lose its student loan



eligibility status because of a reported 1989 high default rate. Subsequent review of Jordan's default rate data revealed substantial flaws in the guarantee agency's calculations.

As a result, I have received assurance from the U.S. Department of Education that Jordan College will not lose its eligibility to participate in the Guaranteed Student Loan Program for the 1991-92 academic year. This assurance has been given based on the findings of the Secretary, that Jordan's reported 1989 default rate is based on inaccurate data submitted by the guarantee agency. The Secretary has also found that when the inaccuracies were corrected, the adjusted data reduced Jordan's default rate substantially.

I have also received assurance from the U.S. Department of Education that Jordan's student loan eligibility will continue through the 1992-93 academic year, assuming the Secretary finds that similar inaccuracies are likely to occur in calculating Jordan's 1990 default rate, scheduled to be issued by June 30, 1992. I have been presented with some evidence that this will, in fact, be the case, Mr. President.

Mr. KENNEDY. Mr. President, it is my understanding that these assurances have been given. I have been working with the Senator from Michigan and with the Department of Education to receive these assurances. I believe this will enable Jordan College to continue to make its contribution to education in Michigan.

Mr. LEVIN. Because of these assurances, Mr. President, I will not offer my amendment. I thank the chairman for his assistance and cooperation in this matter.

Mr. DIXON. Mr. President, I rise today as a cosponsor of S. 1150, the Higher Education Reauthorization Act, as modified. This legislation authorizes \$17.5 billion for the first year of a 7-year extension of the act. S. 1150 is one of the most significant higher education bills that this body will consider during this decade.

First, I want to extend my congratulations to the committee and subcommittee chairman, Senators KENNEDY and PELL, respectively, and the ranking minority members of the committee and subcommittee, Senators HATCH and KASSEBAUM, respectively, for their untiring efforts in developing this bipartisan compromise. I also want to acknowledge the efforts of my distinguished colleague, Senator SIMON, who has worked so diligently, along with some others, to expand and revise the Student Loan Program so that it becomes available to everyone, regardless of income.

Mr. President, S. 1150 is the third in a series of major democratic education initiatives to recently come before this body. Last year Congress approved the National Literacy Act, legislation which I cosponsored, to help some 30

million Americans learn to read and write.

Last month, this body approved S. 2, the Neighborhood Schools Improvement Act, which I also cosponsored. It provides a real opportunity for education reform at our hard-pressed elementary and secondary schools by proposing higher national education goals, tougher education standards, increased student, teacher, and school system accountability, and more Federal financial aid.

The legislation before us today expands the overall national goal set out in the Literacy Act and in S. 2—to help make a real difference in the future of our education system.

During the Reagan and Bush administrations, middle-income families have been continually squeezed out of our Federal financial aid programs. I am pleased to join in the effort to reverse that unfair trend. S. 1150 expands eligibility for the Pell Grant Program to include middle-income families with incomes up to \$40,000. It also eliminates consideration of the family home and farm equity in determining aid eligibility for those families with incomes of \$50,000 or less.

So that low- and middle-income students are better served by Federal student aid programs, S. 1150 increases the size of Pell grants from \$2,400 to \$3,600 in fiscal year 1993. It redresses the growing imbalance—which developed during the 1980's—between student grants and loans by providing greater grant assistance to students.

Among other important provisions, S. 1150 will streamline and simplify the student aid application process; strengthen teacher recruitment, retention, and development; improve integrity in the Student Loan Program; and strengthen graduate and professional education.

I am pleased that the committee agreed to eliminate the mandatory credit check on students as an eligibility requirement for the Stafford Loan Program, and to delete the provision to change the way in which "trio" grants are awarded. I am also pleased that the committee agreed to extend forbearance on medical student loans until after the students complete residency, and to eliminate the medical student loan deferment provision.

Mr. President, I am disappointed to learn that there is insufficient support in the Senate for the Pell grant entitlement provision in S. 1150. Therefore, the bill, as modified, does not make Pell grant an entitlement program.

Pell grants provide aid to low-income students. This program is the cornerstone of Federal participation in higher education programs. The amount of each grant varies depending on the students' family financial status, and, the amount appropriated by Congress each year.

In my own State of Illinois, Pell grants are a vital financial source.

During the 1990-91 academic year, some 142,600 Illinois students received Pell grants at a cost of \$188.1 million.

Making Pell grant an entitlement program would have offered some stability for planning for students, their families, and education institutions. From 1 year to another, students would know whether they are eligible for and would receive a grant award and the level of funding they would receive.

I believe that entitlement programs express congressional priorities. As a fiscally cautious Senator, I do not readily embrace expanding entitlement programs. However, if this Nation intends to compete successfully in an ever-tougher global environment, we must make the necessary education investments. Not to invest robs our young people, and robs our economy.

It appears to me, therefore, that two education programs—Head Start and Pell grant—merit entitlement status. Fully funding these two essential programs, I believe, must be at the top of this Nation's priority list.

I understand that the administration is opposed to making Pell grant an entitlement program. This comes from President Bush who early on during his Presidency, pledged to be the education President. Once again, the administration's action does not match its rhetoric.

It is my understanding that Senator SIMON and others were unable to reach an agreement on the "Direct loan to students" initiative. I congratulate my colleague from Illinois for his leadership in this area. I am pleased to learn that he will continue to work to reach a compromise on this important student issue, and address it on some other legislative proposal.

Mr. President, my support for S. 1150 is an accord with my voting record on education issues over the years. My record supports an attempt to build a stronger, more educated America. I continue to support the Head Start and National School Dropout Programs, and legislation to permit employees to receive education benefits—such as tuition reimbursement or outside training—from their employers on a tax-free basis. I have supported legislation to make interest on U.S. savings bonds tax-exempt if the funds are used for tuition costs. In addition, I have supported and will continue to support adequate funding levels for our various education programs.

Mr. President, I urge my colleagues to support S. 1150, as modified.

Mr. MCCONNELL. Mr. President, I rise today to express my support of S. 1150, the reauthorization of the Higher Education Act of 1965. This is an important bill that addresses the financial assistance needs of our Nation's college and university students.

S. 1150 authorizes the Higher Education Act through fiscal year 1999. By increasing the limits on Pell grants

and guaranteed student loans [GSL], this bill ensures those students who are economically disadvantaged will be able to realize their dreams of higher education.

Under this legislation, the maximum income level for receiving Pell grants is increased from \$30,000 to \$40,000. Mr. President, this will expand grant eligibility to more middle-class families. Further, there are a number of provisions to curb the high default rate of loans, including strengthening penalties for institutional fraud and abuse.

No one in this Chamber disputes that an educated America is a strong America. By giving our consent to S. 1150, the Senate will demonstrate its commitment not only to our postsecondary students, but also to the well-being of our country.

#### RECOVERY OF STUDENT LOAN RESERVES

Mr. ROBB. Mr. President, I would like to engage in a colloquy with the distinguished manager of the bill to clarify the Senate's understanding of a section of the committee amendment critical to Virginia.

It is my understanding, and that of my Virginia colleague Senator WARNER, that section 428 of the committee amendment requires the Department of Education to return reserve funding to guaranty agencies whose financial solvency has been threatened due to recovery of those reserves pursuant to the 1987 Budget Reconciliation Act.

Mr. PELL. That is correct.

Mr. ROBB. It is our further understanding that Virginia is one of the States that would be eligible to receive repayment of its reserves under this section.

Mr. PELL. The Senator is correct.

Mr. ROBB. On behalf of my Virginia colleague Senator WARNER and myself, we thank the chairman for his kind consideration and most welcome clarification.

#### COMMUNITY COLLEGE/SMALL BUSINESS AMENDMENT

Mr. LIEBERMAN. Mr. President, the most important purpose of the Higher Education Act is to ensure that American students have the opportunity to receive an education, an education that provides them with the skills they need to get a job and that builds a work force with the skills businesses need to innovate and compete in our global economy. Many of our students do not go directly to college. They enter the work force and then later, if they have the time, and the money, or if their employer has the money they are able to return to school. We must provide assistance to small businesses and their employees. I am very pleased that the managers of the bill have agreed to include in the committee amendment my amendment to establish a community college/small business consortia program which will provide education and training for small businesses and their employees.

Unfortunately only a small percentage of American companies have the resources to provide their employees with additional educational opportunities. American businesses are already spending \$30 billion a year in worker training and education. However, this money is spent primarily by fewer than 1 percent of all American companies. Most smaller businesses, cannot afford to provide education and training for their employees. They and their employees must suffer the consequences of inadequate reading and writing skills and insufficient technical knowledge.

Small businesses recognize that they and their employees would benefit from training in basic skills and advanced technology, but do not have the resources to establish their own programs and do not have access to programs they or their employees can afford. Some businesses have begun working with community colleges that are interested in designing training programs for businesses and have found that community colleges have the expertise necessary to design training programs particularly targeted at their needs.

The amendment that I am offering to the Higher Education Act would provide grants to community colleges to design education and skills training programs for a consortium of small businesses in the same industry, using the same technology, or with similar education needs. Such consortia would help spread the costs of training, increase the resources available to small firms, and allow more cost-effective development of training materials. They will provide much needed educational assistance to small businesses and their employees. Small businesses will find that their productivity will improve and workers will find that their jobs are more secure.

Again I thank the managers for including my amendment in the bill and I congratulate them on putting together a strong bill which will help many Americans obtain a high-quality education.

#### SELF-RELIANCE STUDENT LOAN PROPOSAL

Mr. LIEBERMAN. Mr. President, I support S. 1150 because it takes significant steps toward rectifying deficiencies in the Higher Education Act. I am particularly supportive of the increase in the maximum Pell grant. Pell grants have steadily lost ground to rapidly rising tuitions and it is time for the Pell grant to catch up with the needs of students. I am also very pleased with the step S. 1150 takes toward expanding student aid for middle class families. It wisely eliminates home and farm equity from the formula for determining the amount of aid that families with incomes below \$50,000 are eligible for. I commend the committee for its hard work which greatly improves the current programs.

Mr. President, I strongly supported the inclusion of the new student loan program, self-reliance loans in S. 1150, and I congratulate my colleagues Senators SIMON, BRADLEY, and DURENBERGER for all their hard work on this proposal. I believe the program is necessary to ensure that middle class families have access to much needed financial aid. We have decided, however, that it would make more sense to include this provision as part of a Finance Committee bill and, therefore, will not be proposing it today. I would like, however, to take a few minutes to stress the importance of enacting the self-reliance loan program in this Congress.

Mr. President, there are two glaring problems with the current student loan program which are better addressed by the self-reliance plan. The first problem is that the loan program excludes the middle class. And, the second is that it costs the taxpayers billions of dollars a year in defaulted loans.

Middle class families now find themselves between a rock and a hard place; too poor to afford a college education and too well off to get help. In the past decade, they watched college tuitions skyrocket only to turn around and find they had been squeezed out of the Federal student loan program; their primary source of assistance. Underfunding of grant programs forced the less well off to look to the loan programs. But the loan programs were unable to serve everyone, and the most needy were understandably given priority. Middle class families were left to watch tuition climb and their primary source of assistance dry up.

I hear from families in Connecticut every day who are struggling to send their children to college and cannot find any assistance. The average tuition cost at a private university is over \$10,000 a year for tuition alone, and \$16,000 a year before you get through paying for housing, books, and the like. Even at a public university it will cost \$6,000 a year. Middle class families cannot afford these tuitions on their own. Yet 70 percent of all student loans go to students from families earning less than \$30,000 a year. The vast majority of the middle class is left to their own resources. I heard from one middle class couple paying \$19,000 a year in tuition that said they were forced to drive old cars, shop at second hand stores and wake up at 3, o'clock in the morning because they each have a paper route. Stories like this show that middle class families need assistance. Self-reliance, with its universal eligibility, provides that assistance by bringing the middle class back into the student loan program.

Along with the many Americans who have been unable to get assistance, the entire American educational system has suffered. Universities, both State and private, have been forced to fill the



gap in assistance themselves. They have been forced to use their own funds to help those who would otherwise not be able to get an education. This dramatic increase in university funds needed for student aid has taken money away from other programs. And in these hard times, universities cannot afford to pay their student's tuition and also provide a quality education. The failure to provide assistance to all students is jeopardizing the quality of the American education.

Self-reliance shifts responsibility for student aid back to the Government and the graduate where it belongs. It will free university resources so that universities may once again concentrate on providing America with the quality education it needs.

And let me assure you, America needs quality education. If we are to compete in a global market place, we need to educate all of our youth. We must properly prepare them to meet the increasing technical demands of the modern job market. If we do not give each person a chance then we have not given America a chance. We simply cannot afford to deny a college education to anyone.

Mr. President, I am cosponsoring self-reliance because its universal eligibility wisely provides the middle class with the same educational options that are available to everyone else. And makes a college education available to everyone so that we can be competitive in an international market.

Some might agree but rightly ask, at what cost? The answer is that while self-reliance expands benefits it actually saves money. After initial start up expenses self-reliance will become self supporting. Since the Government borrows at a low interest rate and then loans directly to students at a slightly higher interest rate, the Government makes a small profit which covers administrative costs. Furthermore, because income contingent repayment makes nonpayment less likely and IRS collection makes it impossible, the multibillion dollar default problem is virtually eliminated. The bottom line is that the program will pay for itself.

And self-reliance achieves these results without sacrificing fairness and flexibility. In lean years the graduate will pay less and in good years more. And although the time it takes to make full repayment will vary, everyone will pay their fair share in the end. To prevent extreme hardship, however, if a graduate has yet to make full repayment after 25 years he or she is excused from further obligation. Self-reliance ensures full repayment in the vast majority of cases while making the repayment burden manageable.

Mr. President, American families need assistance to send their children to college. We can provide that assistance in a fair program, as a savings to the Treasury, and to the benefit of our

economy. I urge my colleagues to vote in favor of the self-reliance program when it does come before the full Senate.

#### SELF-RELIANCE SCHOLARSHIPS

Mr. BRADLEY. Mr. President, I am pleased to support this bill, but I think there is a broad consensus in this body that one piece is still missing. Families of all incomes and students of all ages need one better option to pay for college. It should be universal—that is, everyone should be eligible—and it should be income-contingent—that is, your payment after graduation should be a reasonable percentage of your income paid on your tax form.

Last year I developed self-reliance scholarships, a new program to help people use the 60 percent higher income they will gain from a college education in order to pay for that education. I found tremendous enthusiasm for the idea among families in New Jersey and elsewhere, and among my colleagues in the Senate. Senators SIMON and DURENBERGER, who introduced their own bill, have called attention to the fact that income-contingent loans could cut defaults, and could save the Government money.

I want to thank and commend Senators SIMON and DURENBERGER for their help in crafting the proposal we were prepared to introduce today. And I want to thank Senator KENNEDY for his long-standing enthusiasm for finding a better way to pay for college. Let me also thank Senator PELL for his assistance and for his dedication to making education a right, not a privilege, for Americans of all incomes.

Self-reliance loans is an idea whose time has come. I regret that we cannot pass the whole program today, on this bill, but since some of it would fall under the jurisdiction of the Finance Committee in any event, we will move forward to include the entire program in the economic recovery package that the Finance Committee will act on shortly. To achieve a lasting economic recovery, to help families expect a better future for their kids, we need self-reliance. I am gratified that Senator BENTSEN, as well as Senator DURENBERGER who sits with us on the Finance Committee, both see the merits of this new approach. We will continue to work together to make it a reality.

Mr. NUNN. Mr. President, as we consider the reauthorization of the Higher Education Act, I rise today to discuss some of the much needed reforms of the Federal Guaranteed Student Loan Program [GSLP] which are contained in title IV of the reauthorization bill.

The Guaranteed Student Loan Program is a vitally important program; without it, millions of our Nation's young people never would have had the opportunity to obtain a higher education. Yet somehow, this very well-intentioned program has gone awry, and in so doing it has had a devastating im-

pact not only on the American taxpayer, but on many of those same students whom the program was designed to help in the first place.

How has this program gone awry, Mr. President? Mainly as a result of an explosion in defaulted loans. While guaranteed student loan volume nearly doubled from 1983 through 1989—from \$6.8 to \$12.4 billion—the volume of loan defaults for that same period rose by more than 300 percent, from \$444.8 million to almost \$2 billion. Defaults last year were estimated at over \$3 billion. As a direct result of this rise in defaults, more than half of the total costs of today's Guaranteed Student Loan Program must go to paying off bad debts rather than to providing educational opportunities for deserving students.

I know that when many Americans hear of defaulted student loans their first thoughts are of doctors, lawyers, and other highly paid individuals who obtained a first-class education with the benefit of the Student Loan Program and then failed to repay their obligations despite their obvious ability to do so. While instances such as these no doubt exist, a year-long investigation by the Senate Permanent Subcommittee on Investigations revealed that the true reasons behind the default problem are far different from common perceptions.

The majority of those in default are in fact students who neither have the ability to repay nor the benefit of the type of education that would truly make them productive members of society. These are students who have been victimized, victimized by schools that are all too eager to recruit them for worthless programs so long as they can get them signed up for Federal student aid funds; victimized by lending institutions that are all too eager to provide them with those funds without undertaking even the most cursory due diligence efforts and who then turn around and sell their loans before the ink is dry on the paperwork; victimized by guarantee agencies and loan servicing companies that are all too eager to place a loan in default without making any serious attempts to facilitate collection, and ultimately victimized by a system which has lacked the oversight and enforcement mechanisms needed to protect them from all of the above.

In 1990, the permanent subcommittee held a series of eight hearings examining the major problems of the Student Loan Program, particularly those involving proprietary or career training schools. During the course of those hearings the subcommittee received testimony from scores of witnesses representing practically every institutional interest involved in the program including schools, lending institutions, accrediting and licensing bodies, guarantee agencies, secondary market organizations, loan servicing companies,

and the Department of Education. Most importantly, perhaps, the subcommittee also heard from numerous students.

The subcommittee hearings painted a highly disturbing portrait of a program in which none of the major components is working efficiently or effectively. These hearings subsequently formed the basis for a sharply critical report entitled "Abuses in Federal Student Aid Programs," which was released by the subcommittee in May 1991. As that report concluded, the Student Loan Program is riddled with fraud and abuse and suffers from severe management and oversight deficiencies. The primary mechanism upon which program oversight of participating schools depends—namely, the triad of licensure, accreditation and certification/eligibility—provides little assurance that schools are in fact providing students with the educational opportunities they promise, and the Department of Education, through gross mismanagement, ineptitude, and neglect, has all but abdicated its responsibilities to the students it is supposed to serve and the taxpayers whose interest it is charged with protecting.

In short, the lure of fast and easy program profits, coupled with ineffective government oversight, turned the 1980's into what one proprietary school owner called "an opportune time to be crooked." Unfortunately, there were far too many who were more than willing to take advantage of this opportunity. Many school owners, accrediting bodies, lenders, and other financial players profited handsomely, and in some cases, unconscionably, in the past decade while the program's intended beneficiaries—young people, many of whom come from backgrounds with already limited opportunities—have suffered. They have suffered primarily at the hands of unscrupulous and dishonest proprietary schools, receiving neither the training nor the skills they hoped to acquire and instead, being left with debts they cannot repay. Their suffering has in turn created a burden for the American taxpayer who will ultimately be billed for billions of dollars of losses on defaulted student loans.

Against this backdrop of program failure, the subcommittee's report made 27 recommendations for reform of the Guaranteed Student Loan Program. These recommendations, which touched on nearly every aspect of Student Loan Program oversight and addressed nearly every participant in the system, had one overriding goal—to restore the program's integrity and credibility. To do so, the subcommittee recognized that nothing less than a comprehensive, intensive, and sustained reform effort was needed.

The subcommittee's recommendations called for major reforms within the Department of Education, State licensing agencies, and private accred-

ing bodies. They also called for substantial new restrictions on the activities of lenders, guarantee agencies, loan servicing companies, and secondary market organizations. And perhaps most importantly, they called for a rethinking of the role of proprietary and career training schools within the Federal Student Loan Program.

Following up on the subcommittee's recommendations, I introduced S. 1503 in July of last year along with Senator ROTH, ranking minority member of the permanent subcommittee, and Senators LEVIN and SASSER, for the purpose of attacking the root causes of the massive default problem which the program has experienced in recent years. Subsequently joining me as cosponsors in this effort were Senators MIKULSKI, KOHL, AKAKA, HATFIELD, and THURMOND.

I am pleased to note that many of the provisions of S. 1503 have been incorporated into title IV of the reauthorization bill currently before us. Indeed, with its new emphasis on program integrity, this bill represents a major advance in long-needed efforts to curb fraud and abuse in the Student Loan Program. I commend the committee, and Senators KENNEDY and PELL in particular, both for their continuous cooperation and firm support of the subcommittee's investigation of Student Loan Program abuses, and for their affirmative role in seeing that the investigation's major conclusions and recommendations were reflected in this bill.

The reauthorization bill before us recognizes for the first time that the triad of accreditation, licensure, and certification/eligibility has failed to perform its gatekeeping function in weeding out substandard and worthless schools from the Student Loan Program. As called for by the permanent subcommittee's recommendations, this bill establishes minimum uniform standards for both private accrediting agencies and State licensing bodies and strengthens Federal eligibility and certification procedures by establishing statutory requirements for these activities. At the other end of the process, the bill, also in accordance with the subcommittee's recommendations, has likewise made it easier for the Secretary to rid the program of bad schools.

In the area of financial intermediaries, the bill contains numerous new restrictions on the activities of lenders, guarantee agencies, and secondary market organizations. Again, these steps were among the major recommendations in the subcommittee's report and many of them were contained in my own legislation.

Mr. President, these measures represent a genuine effort at reform which I hope will ultimately prove successful in stopping the hemorrhaging of this program which is being caused by an

ever-increasing default rate. But make no mistake about it—no less than the very survivability of the Student Loan Program as we know it—is at stake in what we do. If these reforms cannot turn this program around, then it may indeed be time to begin thinking about a restructuring of the student loan system.

The Guaranteed Student Loan Program is a worthy and worthwhile program which should be continued. It can only continue, however, if it returns to the purposes and goals which led to its creation. I urge my colleagues to support these reforms so that the program again becomes the vehicle for educating and training America's young people that it was intended to, and should always be.

#### MORNING BUSINESS

Mr. FORD. Mr. President, I ask unanimous consent that there be a period for morning business, with Senators permitted to speak therein.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### MESSAGES FROM THE HOUSE

At 3:45 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House has passed the following bill, with an amendment, in which it requests the concurrence of the Senate:

S. 606. An act to amend the Wild and Scenic Rivers Act by designating certain segments of the Allegheny River in the Commonwealth of Pennsylvania as a component of the National Wild and Scenic Rivers System.

The message also announced that the House agrees to the amendment of the Senate to the bill (H.R. 355) to provide emergency drought relief to the reclamation States, and for other purposes.

The message further announced that the House agrees to the amendments of the Senate to the bill (H.R. 543) to establish the Manzanar National Historic Site in the State of California, and for other purposes.

The message also announced that the House agrees to the amendment of the Senate to the concurrent resolution (H. Con. Res. 268) to correct technical errors in the enrollment of the bill H.R. 3866.

The message further announced that pursuant to the provisions of 2 United States Code 473(a), the Speaker appoints Ms. HORN to the Technology Assessment Board on the part of the House, to fill the existing vacancy thereon.

#### EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with



accompanying papers, reports, and documents, which were referred as indicated:

EC-2619. A communication from the Assistant Secretary of Energy (Environmental Restoration and Waste Management), transmitting, pursuant to law, a report detailing the expenditure of fiscal year 1991 Environmental Restoration and Waste Management funds for defense and nondefense activities and the accomplishments to-date compared to the milestone for each task; to the Committee on Armed Services.

EC-2620. A communication from the Secretary of the Navy, transmitting, pursuant to law, notice of the Navy's proposal to transfer the obsolete aircraft carrier *Lerington* (AVT 16) to the Corpus Christi Area Convention and Visitors Bureau, Corpus Christi, TX; to the Committee on Armed Services.

EC-2621. A communication from the Director of the Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, a report on United States Costs in the Persian Gulf Conflict and Foreign Contributions to Offset Such Costs; to the Committee on Armed Services.

### INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. ROCKEFELLER:

S. 2237. A bill to amend the Internal Revenue Code of 1986 to provide for a refundable child credit and to increase the earned income tax credit for larger families, to provide for a demonstration program for payments in lieu of child support payments owed by absent spouses, to encourage creation of jobs for low-income unemployed, and for other purposes; to the Committee on Finance.

By Mr. BURNS:

S. 2238. A bill for the relief of J&V Restaurant Supply and Refrigeration, and for other purposes; to the Committee on the Judiciary.

By Mr. PRYOR (for himself, Mr.

GRASSLEY, Mr. REID, Mr. FOWLER, Mr. MOYNIHAN, Mr. SYMMS, Mr. BOREN, Mr. HATCH, Mr. BREAUX, Mr. AKAKA, Mr. BOND, Mr. BRYAN, Mr. BUMPERS, Mr. BURDICK, Mr. EXON, Mr. GORE, Mr. HATFIELD, Mr. HOLLINGS, Mr. JOHNSTON, Mr. KASTEN, Mr. KERRY, Mr. DASCHLE, Mr. MACK, Mr. NICKLES, Mr. PRESSLER, Mr. SANFORD, Mr. SHELBY, Mr. WIRTH, Mr. CRANSTON, Mr. ADAMS, Mr. LOTT, Mr. ROCKEFELLER, Mr. RIEGLE, Mr. STEVENS, Mr. SIMON, and Mr. BAUCUS):

S. 2239. A bill to amend the Internal Revenue Code of 1986 to provide additional safeguards to protect taxpayer rights; to the Committee on Finance.

By Mr. BENTSEN:

S. 2240. A bill for the relief of Maria Adriana Lopez; to the Committee on the Judiciary.

By Mr. HOLLINGS:

S. 2241. A bill to add to the list of import-sensitive articles that may not be designated as articles eligible for duty-free treatment under title V of the Trade Act of 1974; to the Committee on Finance.

By Mr. MITCHELL:

S. 2242. A bill to establish a National Commission on Independent Higher Education; to

the Committee on Labor and Human Resources.

By Mr. MACK:

S. 2243. A bill to extend the temporary suspension of duty for metal oxide varistors; to the Committee on Finance.

By Mr. THURMOND:

S. 2244. A bill to require the construction of a memorial on Federal land in the District of Columbia or its environs to honor members of the Armed Forces who served in World War II and to commemorate United States participation in that conflict; to the Committee on Energy and Natural Resources.

By Mr. DOMENICI (for himself and Mr. BINGAMAN):

S. 2245. A bill to authorize funds for the implementation of the settlement agreement reached between the Pueblo de Cochiti and the United States Army Corps of Engineers under the authority of Public Law 100-202; to the Select Committee on Indian Affairs.

By Mr. KENNEDY (for himself, Mr. SIMON, and Mr. DECONCINI):

S. 2246. A bill to suspend the forcible repatriation of Haitian nationals fleeing after the coup d'etat in Haiti until certain conditions are met; read the first time.

By Mr. PRESSLER:

S.J. Res. 256. Joint resolution to recognize June 5, 1992, as "World Environment Day" and to urge that the United Nations Conference on Environment and Development be given highest priority by the United States; to the Committee on Foreign Relations.

By Mr. LAUTENBERG (for himself and Mr. SEYMOUR):

S.J. Res. 257. Joint resolution to designate the month of June 1992, as "National Scleroderma Awareness"; to the Committee on the Judiciary.

By Mr. RIEGLE:

S.J. Res. 258. Joint resolution designating the week commencing May 3, 1992, as "National Correctional Officers Week"; to the Committee on the Judiciary.

By Mr. MOYNIHAN (for himself, Mr. GARN, and Mr. SASSER):

S.J. Res. 259. Joint resolution providing for the appointment of Barber B. Conable, Jr., as a citizen regent of the Board of Regents of the Smithsonian Institution; to the Committee on Rules and Administration.

### SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

Mr. MCCONNELL:

S. Res. 259. A resolution promoting goodwill and cooperation between the Commonwealth of Independent States and the United States; to the Committee on Foreign Relations.

Mr. PRESSLER:

S. Con. Res. 91. Concurrent resolution expressing the Sense of Congress that the Commission on Broadcasting to the People's Republic of China should be appointed expeditiously, and make its recommendations and propose a plan to the Administration and Congress no later than 365 days after enactment of the Foreign Relations Authorization Act for Fiscal Years 1992 and 1993 (P.L. 102-138); to the Committee on Foreign Relations.

Mr. GRAMM (for himself and Mr. BENTSEN):

S. Con. Res. 92. Concurrent resolution expressing the sense of the Congress that the President should work with the participants

at the San Antonio Summit toward stopping the trade in illicit drugs; to the Committee on Foreign Relations.

### STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. ROCKEFELLER:

S. 2237. A bill to amend the Internal Revenue Code of 1986 to provide for a refundable child credit and to increase the earned income tax credit for larger families, to provide for a demonstration program for payments in lieu of child support payments owed by absent spouses, to encourage creation of jobs for low-income unemployed, and for other purposes; to the Committee on Finance.

#### FAMILY INCOME SECURITY ACT OF 1992

Mr. ROCKEFELLER. Mr. President, for 3 years I have had the honor and somewhat a struggle of chairing the National Commission on Children. This is a bipartisan board which was created by Congress and it was charged with examining every fact that has to do with family and children in our country, and then recommending a means for improving their lot.

The Family Income Security Act of 1992, which I rise today to introduce, is the principal product of the unanimous bipartisan recommendations of that commission, a 32 to nothing vote, members of the Bush administration, liberals, conservatives, everybody in between, a unanimous report.

It is our first and best hope to translate a vision of our Nation where every child is healthy, every child is educated, every child has the opportunity to contribute to our society into legislation. I refer to my income security legislation.

Mr. President, during my tenure as chair, we discovered that no single action by the Federal Government would benefit children more than by providing their families with true income security. That means helping families keep more of what they earn and helping them to reach up and grab the next rung on the ladders to success. That includes reforming our welfare system and rewarding hard work and demanding responsibility in ways that promote strong and stable families.

We were not alone in making these discoveries, obviously. In recent months, many of our colleagues have introduced legislation which parallels parts of the Family Income Security Act of 1992. I hope that I will be able to work with those colleagues to combine the best of their ideas into the systemic reform that we desperately need.

The time has come, in my view, to stop pretending that piecemeal approaches to family income security work, to stop pigeonholing families by income or education, to stop disassociating programs that are, in fact, intimately intertwined with one another. The time has come to shift emphasis

from punishing those families of whom we appear not to approve, to rewarding those, whatever their income, who embrace the values that we hold dear, to wit; hard work, personal responsibility, family stability.

The Family Income Security Act is important because it puts every family in America on exactly the same footing. It recognizes the continuum between poverty and the middle class and between the middle class and wealth. It understands that individuals over time and families over generations can climb to higher levels of success if we do not place insurmountable barriers in front of them and that the vast majority of Americans can and want to contribute to our society.

It would take a lot more time than I am allowed to spend now to detail the damage done to our families in the past 10 years; the decline in living standards, the need for two incomes, where one once sufficed, the rising costs and the narrowing opportunities. You do not have to be an expert to see that something has gone terribly wrong. You just have to be, Mr. President, a parent.

But the experts and the economists among us have pointed out that in ignoring our families, we have undercut our ability, in fact, to compete economically. Attempts to revitalize American industry by encouraging capital formation, by focusing on money and credit, by changing laws and regulations can, at best, partially be effective. Ignoring those who can grow to direct those investments, to design and operate that capital equipment, to export and to sell our products abroad condemns us to fight our trade battles and economic battles with one hand tied behind our backs.

Investment in our families, particularly in our children, must be the cornerstone of any policy that embodies economic growth. Right now, we risk placing them in the nexus of a vicious downward spiral: Poor families, unprepared children, an inferior work force, a contracting economy, poor families, unprepared children and on and on. Without action, I believe this generation of children will have the sad distinction of being the first in that downward spiral. That is why, Mr. President, this legislation is so important.

The bill has four parts. All are wholly interdependent. A \$1,000 refundable tax credit to replace the current personal exemption. This would benefit every family, without exception, and bring proportionality, greater relief to the middle-class and lower income families that most need help. The tax credit concept contrasts clearly with the President's proposal which increases only the personal exemption, thus saving top bracket taxpayers twice as much as middle-income families.

Second, simplification of the earned income tax credit and further adjust-

ments for family size. I believe that simplifying paperwork and adjusting for family size would encourage millions of low-income working families who are not taking advantage of what is their due under the earned income tax credit to take advantage of this step toward self-reliance.

Third, child support insurance demonstration projects. Combining tough enforcement of child support laws, incentive and support for mothers who help track down missing fathers and a Government-insured minimum benefit when absent parents do not meet their obligations. Ultimately, this system would recapture, when fully implemented, between \$25 and \$29 billion out there in the private economy in unpaid child support. The effect of that on families with children who are owed that support is obviously enormous and you do not have to raise a single tax dollar to get it.

Fourth, waivers to economically depressed communities allowing them to use Federal funds to create jobs for low-income parents who are willing to work as an alternative to welfare.

Passage, Mr. President, of this legislation will leave all families with children better off. Middle-class families will keep more of what they earn, lower income working families will find themselves lifted out of poverty by tax credits and child support enforcement which is a compelling incentive to get a job and to get off welfare. Responsibility for one's employment and one's children is rewarding while child support cheats are hunted down and made to pay.

Mr. President, it makes sense, and all I can say to you is that the combination of the four parts of this package together will, in fact, mathematically and literally lift out of poverty the overwhelming majority of families in America who now do live in poverty, and help everybody else on the income scale with respect to bringing up children.

Welfare will once again become what it was intended to be: A transitional program helping families get through hard times. People who work hard and play by the rules will be able to get ahead and the system will work for them, too.

The opportunities that our Nation gives our families and our children now will determine the level to which we raise as a country in the next century. It is time we realize that doing a good job raising a family is both socially desirable and very expensive.

Most people do not understand that it costs the average parent to bring up the average child in this country between \$6,000 and \$8,000 a year. If you have 2 or 3 children, that is \$12,000 or \$18,000 a year more than families that do not have children.

That ever American has an economic stake in every American child is a sa-

cred principle and that to help those children prosper, we must give parents the freedom they need to make basic decisions like what neighborhood they will grow up in and what school they will attend. Adequate family income by itself is, of course, no guarantee that a child will grow into a healthy, well educated and responsible adult. But ensuring parents' abilities to afford health insurance and decent day care, to put breakfast on the table every morning before the kids go to school and to put a little money in the bank for the future is a tremendous stride in the right direction.

The vast majority of families, rich or poor, are guided by the needs of their children. Our economic future demands that we as a Nation begin acting on that very same principle, whatever is best for our children.

As we look to expand our opportunities, as we prepare the way for those upon whom we will one day depend for our support, as we struggle to lead the world into the 21st century, we must, Mr. President, invest in our children. No Senate committee, no stockbroker, no mutual fund has the ability to invest as wisely as does a parent in the most neglected and potentially the most productive resource we possess, our children, but they can only do that if they have the resources.

I urge all of my colleagues to work with me to bring about the comprehensive changes that our citizens want and that, frankly, our economy demands.

I urge my colleagues to take the time to give this package the attention it is due, and I hope that they will join me in bringing it to fruition.

Mr. President, I ask unanimous consent to print a more detailed statement, a factsheet and a copy of the bill itself in the CONGRESSIONAL RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 2237

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

#### SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Family Income Security Act of 1992".

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

Sec. 1. Short title; table of contents.

Sec. 2. Findings and purpose.

#### TITLE I—REFUNDABLE CREDIT FOR CHILDREN

Sec. 101. Refundable credit for children.

#### TITLE II—EARNED INCOME TAX CREDIT INCREASED FOR LARGER FAMILIES

Sec. 201. Earned income tax credit increased for larger families.

#### TITLE III—CHILD SUPPORT INSURANCE DEMONSTRATION PROJECTS

Sec. 301. Establishment of child support insurance demonstration projects.

#### TITLE IV—COMMUNITY EMPLOYMENT OPPORTUNITY DEMONSTRATION PROJECTS

Sec. 401. Establishment.



Sec. 402. Eligible economically depressed communities.

Sec. 403. Waivers.

Sec. 404. Use of amounts.

Sec. 405. Regulations.

Sec. 406. Plan of implementation and effect of title.

Sec. 407. Evaluation and report.

## SEC. 2. FINDINGS AND PURPOSE.

(a) FINDINGS.—The Congress finds that—

(1) it is in the best interest of all Americans to ensure that children in the United States grow up in families that are financially able to meet the basic material needs of such children;

(2) poverty, hunger, and ill-health jeopardize the national productivity and security of the United States;

(3) the United States is the only advanced industrial democracy that lacks a universal system of income support for families raising children;

(4) children are the poorest Americans and are, therefore, among the most vulnerable citizens;

(5) families raising children have been disproportionately harmed by economic instability over the past decade;

(6) families raising children pay more than their fair share of the Federal tax burden;

(7) parents, regardless if such parents live together, have a responsibility to support their children financially, although many absent parents fail to meet this obligation;

(8) single-parent families are most vulnerable to poverty and financial hardship, especially if the absent parent does not contribute child support;

(9) the majority of poor families have at least one employed adult, and many families are unable to support their children adequately unless such families have more than one earner; and

(10) an adequate income can help foster family stability.

(b) PURPOSE.—To strengthen American families, encourage parental responsibility, meet the basic material needs of all children, and secure the Nation's future, it is the purpose of this Act to provide tax relief for families raising children, initiate demonstration programs to strengthen child support enforcement and guarantee a minimum level of support to all children of absent parents, and initiate demonstration programs to enable communities to create employment opportunities for low-income parents who are willing and able to work but experience difficulty entering the job market without aid.

## TITLE I—REFUNDABLE CREDIT FOR CHILDREN

### SEC. 101. REFUNDABLE CREDIT FOR CHILDREN.

(a) IN GENERAL.—Subpart C of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to refundable credits) is amended by redesignating section 35 as section 36 and by inserting after section 34 the following new section:

#### "SEC. 35. CHILDREN UNDER AGE 19.

"(a) GENERAL RULE.—In the case of an eligible individual, there shall be allowed as a credit against the tax imposed by this subtitle for the taxable year an amount equal to \$1,000 multiplied by the number of qualifying children of the taxpayer for such taxable year.

"(b) INFLATION ADJUSTMENT.—In the case of any taxable year beginning in a calendar year after 1993, the dollar amount contained in subsection (a) shall be increased by an amount equal to—

"(1) such dollar amount, multiplied by

"(2) the cost-of-living adjustment determined under section 1(f)(3) for the calendar

year in which the taxable year begins, by substituting 'calendar year 1992' for 'calendar year 1989' in subparagraph (B) thereof. If any increase determined under the preceding sentence is not a multiple of \$10, such increase shall be rounded to the nearest multiple of \$10 (or if such increase is a multiple of \$5, such increase shall be rounded to the next highest multiple of \$10).

"(c) DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

"(1) ELIGIBLE INDIVIDUAL.—The term 'eligible individual' has the meaning given to such term by section 32(c)(1) (determined without regard to subparagraphs (B) and (D) thereof).

"(2) QUALIFYING CHILD.—The term 'qualifying child' has the meaning given to such term by section 32(c)(3) (determined without regard to subparagraphs (C)(ii), (C)(iii), and (E) thereof).

"(3) CERTAIN OTHER RULES APPLY.—Subsections (d) and (e) of section 32 shall apply.

"(d) COORDINATION WITH MEANS-TESTED PROGRAMS.—Any refund made by reason of this section, and any payment made under section 3507A or 7524, shall be treated in the same manner as refunds made by reason of section 32 and payments made under 3507 for purposes of—

"(1) sections 402, 1612, and 1613 of the Social Security Act and title XIX of such Act, and

"(2) the laws referred to in paragraphs (1) through (5) of section 32(j).

"(e) COORDINATION WITH ADVANCE PAYMENTS OF CREDIT.—

"(1) RECAPTURE OF EXCESS ADVANCE PAYMENTS.—If any payment in excess of the amount of the credit allowable under this section is made to the individual by an employer under section 3507A or to the individual under 7524 during any calendar year, then the tax imposed by this chapter for the individual's last taxable year beginning in such calendar year shall be increased by the aggregate amount of such payments.

"(2) RECONCILIATION OF PAYMENTS ADVANCED AND CREDIT ALLOWED.—Any increase in tax under paragraph (1) shall not be treated as tax imposed by this chapter for purposes of determining the amount of any credit (other than the credit allowed by subsection (a)) allowable under this subpart.

"(f) REDUCTION OF CREDIT TO TAXPAYERS SUBJECT TO ALTERNATIVE MINIMUM TAX.—The credit allowed under this section for the taxable year shall be reduced by the amount of tax imposed by section 55 (relating to alternative minimum tax) with respect to such taxpayer for such taxable year."

(b) ADVANCE PAYMENT OF CREDIT.—

(1) IN GENERAL.—Chapter 77 of such Code is amended by inserting after section 7523 the following new section:

#### "SEC. 7524. ADVANCE PAYMENT OF CREDIT FOR CHILDREN UNDER AGE 19.

"(a) GENERAL RULE.—The Secretary of the Treasury shall make advance payments of refunds to which eligible taxpayers are entitled by reason of section 35.

"(b) ELIGIBLE TAXPAYER.—For purposes of this section, the term 'eligible taxpayer' means, with respect to any taxable year, any taxpayer if the taxpayer furnishes, at such time and in such manner as the Secretary may prescribe, to the Secretary such information as the Secretary may require in order to—

"(1) determine whether the taxpayer will be entitled to a refund by reason of section 35 for the taxable year,

"(2) verify the taxpayer's intention not to receive payments under section 3507A for the taxable year, and

"(3) estimate the amount of such refund.

"(c) QUARTERLY PAYMENTS.—The Secretary shall make the payments under this section on a quarterly basis in approximately equal amounts."

(2) REDUCTIONS IN WAGE WITHHOLDINGS.—

(A) IN GENERAL.—Chapter 25 of such Code is amended by inserting after section 3507 the following new section:

#### "SEC. 3507A. ADVANCE PAYMENT OF CREDIT FOR CHILDREN UNDER AGE 19.

"(a) GENERAL RULE.—Except as otherwise provided in this section, every employer making payment of wages to an employee with respect to whom a child tax credit eligibility certificate is in effect shall, at the time of paying such wages, make an additional payment to such employee equal to such employee's child tax credit advance amount.

"(b) CHILD TAX CREDIT ELIGIBILITY CERTIFICATE.—For purposes of this title, a child tax credit eligibility certificate is a statement furnished by an employee to the employer which—

"(1) certifies that the employee will be eligible to receive the credit provided by section 35 for the taxable year and declares the employee's intention not to receive payments under section 7524 for the taxable year,

"(2) certifies that the employee does not have a child tax credit eligibility certificate in effect for the calendar year with respect to the payment of wages by another employer, and

"(3) states whether or not the employee's spouse has a child tax credit eligibility certificate in effect.

For purposes of this section, a certificate shall be treated as being in effect with respect to a spouse if such a certificate will be in effect on the first status determination date following the date on which the employee furnished the statement in question.

"(c) CHILD TAX CREDIT ADVANCE AMOUNT.—For purposes of this title, the term 'child tax credit advance amount' means, with respect to any payroll period, the amount determined—

"(1) on the basis of the number of the employee's qualifying children (as defined in section 35(c)(2)), and

"(2) if a child tax credit eligibility certificate is in effect with respect to the spouse of the employee, as if the credit provided by section 35 were a credit of not more than ½ of the amount otherwise determined under such section.

"(d) CERTAIN RULES TO APPLY.—Rules similar to the rules of subsections (d) and (e) of section 3507 shall apply for purposes of this section. Proper adjustments shall be made in the application of such rules under this section to take into account payments under section 3507."

(B) INFORMATION SHOWN ON W-2.—Subsection (a) of section 6051 of such Code (relating to receipts to employees) is amended by striking "and" at the end of paragraph (8), by striking the period at the end of paragraph (9) and inserting "and" and by inserting after paragraph (9) the following new paragraph:

"(10) the total amount paid to the employee under section 3507A (relating to advance payment of child tax credit)."

(C) REQUIREMENT OF RETURN.—Subsection (a) of section 6012 of such Code (relating to persons required to make returns of income) is amended by inserting after paragraph (9) the following new paragraph:

"(10) Every individual who receives payments during the calendar year in which the taxable year begins under section 3507A (re-

lating to advance payment of child tax credit.)"

(D) CROSS REFERENCE.—Subsection (e) of section 6302 of such Code (relating to mode or time of collection) is amended by adding at the end thereof the following new paragraph:

"(3) For treatment of child tax credit advance amount as payment of withholding and FICA taxes, see section 3507A(d)."

(c) DENIAL OF DEDUCTION FOR PERSONAL EXEMPTIONS FOR WHICH CREDIT ALLOWED.—Section 151(d) of such Code is amended by redesignating paragraph (4) as paragraph (5) and by inserting after paragraph (3) the following new paragraph:

"(4) DENIAL OF DEDUCTION FOR PERSONAL EXEMPTIONS FOR WHICH CREDIT ALLOWED.—The exemption amount for any qualifying child (as defined in section 35(c)(2)) shall be zero."

(d) TECHNICAL AMENDMENT.—Paragraph (2) of section 1324(b) of title 31, United States Code, is amended by inserting before the period "or from section 35 of such Code".

(e) CLERICAL AMENDMENTS.—

(1) The table sections for subpart C of part IV of subchapter A of chapter 1 of such Code is amended by striking the item relating to section 35 and inserting the following:

"Sec. 35. Children under age 19.  
"Sec. 36. Overpayments of tax."

(2) The table sections for chapter 77 of such Code is amended by inserting after the item relating to section 7523 the following new item:

"Sec. 7524. Advance payment of credit for children under age 19."

(3) The table sections for chapter 25 of such Code is amended by inserting after the item relating to section 3507 the following new item:

"Sec. 3507A. Advance payment of credit for children under age 19."

(f) PROGRAM TO INCREASE PUBLIC AWARENESS.—Not later than the first calendar year following the date of the enactment of this Act, the Secretary of the Treasury and the Commissioner of the Internal Revenue Service, in consultation with the Secretary of Health and Human Services, the Commissioner of Social Security, and the heads of other appropriate Federal agencies, shall establish a taxpayer awareness program to inform the public of the availability of the credit for children allowed under section 35 of the Internal Revenue Code of 1986, as added by this section. Such program shall be designed to assure that individuals who may be eligible are informed of the availability of such credit and filing procedures. Such program shall also be coordinated with the program to increase public awareness of the availability of the earned income credit allowed under section 32 of such Code. The Secretary shall use appropriate means of communication to aggressively disseminate the necessary information to carry out the provisions of this subsection.

(g) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1992.

## TITLE II—EARNED INCOME TAX CREDIT INCREASED FOR LARGER FAMILIES.

### SEC. 201. EARNED INCOME TAX CREDIT INCREASED FOR LARGER FAMILIES.

(a) IN GENERAL.—Subparagraph (C) of section 32(b)(1) of the Internal Revenue Code of 1986 (relating to basic earned income credit) is amended to read as follows:

"(C) PERCENTAGES.—For purposes of this paragraph—

"(i) IN GENERAL.—Except as provided in clause (ii), the percentages shall be determined as follows:

"In the case of an eligible individual with:	The credit percentage is:	The phaseout percentage is:
1 qualifying child .....	23	16.43
2 qualifying children .....	25	17.86
3 or more qualifying children .....	29	20.71

"(ii) TRANSITION PERCENTAGES.—

"(I) For taxable years beginning in 1993, the percentages are:

"In the case of an eligible individual with:	The credit percentage is:	The phaseout percentage is:
1 qualifying child .....	17.6	12.57
2 qualifying children .....	18.4	13.14
3 or more qualifying children .....	21.0	15.00

"(II) For taxable years beginning in 1994:

"In the case of an eligible individual with:	The credit percentage is:	The phaseout percentage is:
1 qualifying child .....	18.5	13.21
2 qualifying children .....	19.5	13.93
3 or more qualifying children .....	23.0	16.43."

(b) REPEAL OF INTERACTION WITH MEDICAL EXPENSE DEDUCTION.—Section 213 of the Internal Revenue Code of 1986 (relating to medical, dental, etc., expenses) is amended by striking subsection (f).

(c) REPEAL OF INTERACTION WITH DEDUCTION FOR HEALTH INSURANCE COSTS OF SELF-EMPLOYED.—Paragraph (3) of section 162(l) of such Code is amended to read as follows:

"(3) COORDINATION WITH MEDICAL DEDUCTION.—Any amount paid by a taxpayer for insurance to which paragraph (1) applies shall not be taken into account in computing the amount allowable to the taxpayer as a deduction under section 213(a)."

(d) REPEAL OF INTERACTION WITH DEPENDENT CARE CREDIT.—Subparagraph (D) of section 32(b)(1) of such Code is amended by striking the last sentence.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1992.

## TITLE III—CHILD SUPPORT INSURANCE DEMONSTRATION PROJECTS

### SEC. 301. ESTABLISHMENT OF CHILD SUPPORT INSURANCE DEMONSTRATION PROJECTS.

(a) IN GENERAL.—In order to encourage States to guarantee a minimum level of child support for every eligible child not receiving such support from a noncustodial parent, the Secretary of Health and Human Services (hereafter in this section referred to as the "Secretary") shall make grants to not less than 4 States but not more than 6 States to conduct demonstration projects for purposes of establishing or improving a system of insured minimum child support payments in accordance with this section.

(b) CONTENTS OF APPLICATION.—An application submitted by the Governor of a State shall—

(1) contain a description of the proposed child support insurance project to be established, implemented, or improved using amounts provided under this section, including the specific activities to be undertaken and the agencies to be involved;

(2) specify whether the project will be carried out throughout the State or in limited areas of the State;

(3) estimate the number of children who will be eligible for insured minimum child

support payments under the project, and the amounts to which they will be entitled, on average as individuals and in the aggregate;

(4) describe the child support guidelines and review procedures which are in use in the State and any expected modifications;

(5) contain a commitment by the State to carry out the project during a period of 3 consecutive years beginning with fiscal year 1993;

(6) contain assurances that the State is currently at or above the national median in—

(A) the number of cases in which paternity is established when required;

(B) the number of cases in which child support orders are obtained; and

(C) the number of cases with child support orders in which collections are made;

(7) contain assurances that, to the maximum extent possible under current law, the State will use Federal, State, and local job training assistance to assist individuals who have been determined to be unable to meet such individuals' child support obligations;

(8) describe the extent to which multiple agencies, including those responsible for administering the Aid to Families With Dependent Children Program under part A of title IV of the Social Security Act and child support collection, enforcement, and payment under part D of such title, will be involved in the design and operation of the child support insurance project; and

(9) contain such other information as the Secretary may require by regulation.

(c) USE OF FUNDS.—A State shall use amounts provided under a grant awarded under this section to carry out a child support insurance project designed to provide a minimum monthly child support benefit for each eligible child in the State to the extent that such minimum child support is not paid in a month by the noncustodial parent.

(d) REQUIREMENTS.—

(1) IN GENERAL.—A child support insurance demonstration project funded under this section shall provide that—

(A) any child (as defined in paragraph (2)) with a living noncustodial parent for whom a child support order has been obtained or any child (as so defined) whose custodial parent meets "good cause" criteria (as determined by the Secretary under section 402(a)(26)(B) of the Social Security Act) for not seeking or enforcing a support order is eligible for the insured child support benefit;

(B) the insured child support benefit shall be paid promptly to the custodial parent at least once a month and shall be—

(i) \$1,500 per year minimum for the first child, \$1,000 per year minimum for the second child, and \$500 per year minimum for each subsequent child;

(ii) offset and reduced to the extent that the custodial parent receives child support in a month from the noncustodial parent;

(iii) indexed and adjusted for inflation; and

(iv) in the case of a family of children with multiple noncustodial parents, calculated in the same manner as if all such children were full siblings, but any child support payment from a particular noncustodial parent shall only be applied against the child support insured benefit for the child or children of that particular noncustodial parent;

(C) except in a State described in section 402(a)(28) of the Social Security Act, the monthly amount of Aid to Families With Dependent Children benefit received under part A of title IV of the Social Security Act otherwise determined under such part shall be reduced by the applicable percentage (as determined in paragraph (3)) of the amount re-



ceived as a child support insurance benefit for such month;

(D) for purposes of determining the need of a child or relative and the level of assistance under title IV of the Social Security Act or for purposes of determining the eligibility of such a child or relative under title XIX of such Act any amount received as a child support insurance benefit shall be disregarded from income of such child or relative;

(E) in the event that the family as a whole becomes ineligible for Aid to Families With Dependent Children under part A of the Social Security Act due wholly or partly to consideration of child support insurance benefits, the continuing eligibility of the caretaker for Aid to Families With Dependent Children under such title shall be calculated without consideration of the child support insured benefit; and

(F) in order to participate in the child support insurance project, the child's caretaker shall apply for services of the State's child support enforcement program under part D of title IV of the Social Security Act.

(2) **CHILD DEFINED.**—For purposes of this section, the term "child" means an individual who is of such an age, disability, or educational status as to be eligible for child support as provided for by the law of the State in which such individual resides.

(3) **DETERMINATION OF APPLICABLE PERCENTAGE.**—For purposes of this section, the applicable percentage shall be determined by the Secretary, except that in demonstration projects in at least 3 States, the applicable percentage shall be 0, 50, and 100, respectively.

(e) **CONSIDERATION AND PRIORITY OF APPLICATIONS.**—

(1) **IN GENERAL.**—The Secretary shall consider all applications received from States desiring to conduct demonstration projects under this section and shall approve not more than 6 applications which appear likely to contribute significantly to the achievement of the purpose of this section. In selecting States to conduct demonstration projects under this section, the Secretary shall—

(A) consider the geographic dispersion and variation in population of the applicants;

(B) give priority to States the applications of which demonstrate that efforts will be made to link child support systems with other service delivery systems; and

(C) ensure that, if feasible, the States selected use a variety of administrative arrangements for implementing child support guidelines and a system of insured child support payments.

(2) **SPECIFIC CONSIDERATIONS.**—Of the States selected to participate in the demonstration projects conducted under this section, the Secretary shall endeavor to ensure that—

(A) at least 2 States provide intensive integrated social services for low-income participants in the child support insurance project, for the purpose of assisting such participants in improving their employment, housing, health, and educational status;

(B) at least 2 States plan to cooperate and to integrate interstate establishment and enforcement of child support awards;

(C) at least 2 States containing large urban areas conduct such projects, in whole or in part, in such areas; and

(D) at least 1 State containing large rural areas conduct such a project, in whole or in part, in such areas.

(f) **EVALUATION AND REPORTS.**—

(1) **IN GENERAL.**—Each State that conducts a demonstration project under this section

shall, as a part of such demonstration project, conduct an interim and a final evaluation of the effectiveness of the demonstration project and shall submit an interim and final report to the Secretary concerning the results of the evaluation and any improvements in child support enforcement. The interim report shall be submitted within 15 months of the commencement of the project.

(2) **CONTENTS.**—The evaluation and report submitted by a State to the Secretary shall analyze and describe (in such a manner as prescribed by the Secretary)—

(A) the impact of the child support insurance project on the economic and non-economic well-being of children and adults in both custodial and noncustodial households;

(B) the work force participation rates of both custodial and noncustodial parents as a result of participation in the child support insurance project;

(C) the impact of the child support insurance project on Aid to Families With Dependent Children participation rates, grants, and funding levels;

(D) a comparison of enforcement effectiveness in intrastate and interstate cases;

(E) the impact on custodial and noncustodial families of access to intensive integrated services for custodial families and to job training services for noncustodial parents;

(F) the impact of child support guidelines on the effectiveness of the child support insurance project and the economic well-being of children and adults in both custodial and noncustodial families;

(G) administrative policies and laws of the Federal Government and the State or a political subdivision of the State, identified by the State as impediments to the collection of adequate child support payments from noncustodial parents;

(H) the measures that the State has taken or intends to take to eliminate or reduce impediments described in subparagraph (G) that are attributable to administrative policies and laws of the State or a political subdivision of the State;

(I) the impact of the child support insurance projects on the number of child support awards and custody arrangements;

(J) the net costs and benefits of providing child support insurance benefits to the Federal and State governments and to recipient families; and

(K) any other relevant items as the Secretary may require.

(g) **DURATION.**—A demonstration project conducted under this section shall be commenced not later than fiscal year 1993 and shall be conducted for a period of 3 consecutive years, except that the Secretary may terminate a project before the end of such period if the Secretary determines that the State conducting the project is not in substantial compliance with the terms of the application approved by the Secretary under this section.

(h) **COST SAVINGS RECOVERY.**—The Secretary shall develop a methodology to identify any State cost savings realized in connection with the implementation of a child support insurance demonstration project conducted under this Act. Any such savings realized as a result of the implementation of a child support insurance demonstration project shall be utilized for child support enforcement improvements or expansions and improvements in the Aid to Families With Dependent Children Program conducted under part A of title IV of the Social Security Act within the participating State, and

Federal expenditures for such project within the State shall be reduced in proportion to any such savings.

(i) **EVALUATION AND REPORT TO CONGRESS.**—The Secretary shall conduct an interim and a final evaluation of each State child support insurance demonstration project and submit an interim and final report to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives concerning the effectiveness of the child support insurance demonstration projects funded under this section. The interim report shall be submitted within 18 months of the commencement of the first State child support insurance demonstration project. The interim and final reports shall analyze the reports received by the Secretary under subsection (f) from each participating State and shall compare the effects of different types of child support guidelines.

(j) **RESTRICTIONS ON MATCHING AND USE OF FUNDS.**—

(1) **IN GENERAL.**—A State conducting a demonstration project under this section shall be required—

(A) except as provided in paragraph (2), to provide not less than 20 percent of the total amounts expended in each calendar year of the project to pay the costs associated with the project funded under this section; and

(B) to maintain its level of expenditures for child support collection, enforcement, and payment at the same level, or at a higher level, than such expenditures were prior to such State's participation in a demonstration project provided by this section.

(2) **EXCEPTION.**—A State participating in a demonstration project under this section may provide not less than 10 percent of the total amounts expended to pay the costs associated with the project funded under this section in years after the first year such project is conducted in such State if the State continues to meet the standard specified in subsection (b)(6).

(k) **COORDINATION WITH CERTAIN MEANS-TESTED PROGRAMS.**—For purposes of—

(1) the United States Housing Act of 1937;

(2) title V of the Housing Act of 1949;

(3) section 101 of the Housing and Urban Development Act of 1965;

(4) sections 221(d)(3), 235, and 236 of the National Housing Act;

(5) the Food Stamp Act of 1977;

(6) titles XVI and XIX of the Social Security Act; and

(7) child care assistance provided through part D of title IV of the Social Security Act, the Child Care and Development Block Grant, or title XX of the Social Security Act,

any payment made to an individual for child support up to the amount which a child support insurance benefit would provide shall not be treated as income and shall not be taken into account in determining resources for the month of its receipt and the following month.

(l) **TREATMENT AS CHILD SUPPORT BENEFIT.**—Any insured child support benefit received by an individual under this title shall be considered child support for purposes of the Internal Revenue Code of 1986.

(m) **AUTHORIZATION OF APPROPRIATIONS.**—There is authorized to be appropriated such sums as may be necessary in each of the fiscal years 1993, 1994, and 1995 to carry out the purposes of this section.

# **TITLE IV—COMMUNITY EMPLOYMENT OPPORTUNITY DEMONSTRATION PROJECTS**

## **SEC. 401. ESTABLISHMENT.**

The Secretary of Health and Human Services and the Secretary of Labor (hereafter referred to in this title as the "Secretaries"), in consultation with the Secretary of Agriculture, shall establish a program to implement community employment demonstration projects under which waivers may be granted under section 403 to eligible economically depressed communities to enable such communities to use amounts received under certain Federal programs to carry out certain community employment activities to provide opportunities for parents receiving welfare assistance to obtain employment.

## **SEC. 402. ELIGIBLE ECONOMICALLY DEPRESSED COMMUNITIES.**

(a) **IN GENERAL.**—The Secretaries shall determine whether a community is an eligible economically depressed community solely on the basis of the eligibility criteria described in this section.

(b) **ELIGIBILITY CRITERIA.**—To be classified as an economically depressed community and be eligible for a waiver under this title, a community shall meet the following criteria:

(1) **APPLICATION.**—The community shall prepare and submit to the Secretaries an application at such time, in such manner and containing such information as such Secretaries may require, including a plan for use of the amounts to which a waiver applies under this title.

(2) **DISTRESS.**—The community must be one of pervasive poverty, unemployment, and general distress.

(3) **LOCATION.**—The community must be located entirely within one State.

(4) **UNEMPLOYMENT RATE.**—The unemployment rate (as determined by the appropriate available data) of the community must not be less than 1.5 times the national unemployment rate.

(5) **POVERTY RATE.**—The poverty rate (as determined by the most recent census data available) for not less than 90 percent of the population census tracts (or where not tracted, the equivalent county divisions as defined by the Bureau of the Census for the purposes of defining poverty areas) within the community must not be less than 20 percent.

## **SEC. 403. WAIVERS.**

(a) **AUTHORITY.**—The Secretaries may grant a waiver to an eligible economically depressed community under this title that shall provide that, instead of any payments made under the programs specified in subsection (b) with respect to such community for the uses required under such program, such payments shall be made to such community to be used as provided under section 404. Such payments shall be made on such a periodic basis as approximates the periodic payments made under such programs.

(b) **PROGRAMS INCORPORATED.**—The programs described in subsection (a) are as follows:

(1) Programs designed solely for adult participation under the Job Training Partnership Act.

(2) Employment and training programs under section 6(d) of the Food Stamp Act of 1977.

(3) Programs under part F of title IV of the Social Security Act.

(c) **DETERMINATION.**—

(1) **IN GENERAL.**—The Secretaries, in consultation with the Secretary of Agriculture, shall promulgate regulations for determin-

ing the amount of payments to which a waiver granted under this section applies.

(2) **DEDUCTION FROM PAYMENTS MADE TO STATES.**—Regulations promulgated under paragraph (1) shall prescribe procedures under which, with respect to the programs described in subsection (b), the respective Secretaries that administer such programs shall—

(A) determine the amount of payments under such programs that are generally made available by a State to an eligible economically depressed community; and

(B) ensure that such amounts are provided by the State to such community for use as provided for in section 404.

(d) **NUMBER.**—The Secretaries shall grant not less than 15 nor more than 25 waivers under this section.

## **SEC. 404. USE OF AMOUNTS.**

(a) **IN GENERAL.**—Subject to subsection (b), an economically depressed community that receives a waiver under this title shall use the amounts to which such waiver applies to carry out activities to provide public employment and community work opportunities to assist parents residing in such community to make the transition from receiving assistance under part A of title IV of the Social Security Act or the Food Stamp Act of 1977 to being a member of the workforce.

(b) **LIMITATIONS.**—

(1) **USEFUL PUBLIC PURPOSE.**—Employment and work opportunities provided under subsection (a) shall be limited to those that serve a useful public purpose, as determined by the Secretaries, with respect to the areas of health, social services, environmental protection, education, urban and rural development and redevelopment, welfare, recreation, public facilities, public safety, and child care.

(2) **DISPLACEMENT OF WORKERS.**—No amounts to which a waiver under this title applies shall be used in a manner that results in—

(A) the displacement of any currently employed worker or position (including partial displacement such as a reduction in the hours of nonovertime work, wages, or employment benefits) or result in the impairment of existing contracts for services or collective bargaining agreements;

(B) the employment or assignment of any individual or the filling of a position when—

(i) any other individual is on layoff from the same or any equivalent position; or

(ii) the employer has terminated the employment of any regular employee or otherwise reduced its workforce with the effect of filling the vacancy so created with an individual subsidized with amounts to which the waiver applies;

(C) any infringement of the promotional opportunities of any currently employed individual; or

(D) the promotion or deterrence of labor union organization.

(3) **LOCAL WAGE RATES.**—Wages shall be provided to individuals engaged in activities funded with amounts to which a waiver provided under this title applies in amounts that are comparable to wages provided to other individuals in the community who are engaged in similar employment activities. No individual shall be required to engage in activities funded with amounts to which a waiver provided under this title applies if wages for such activities are less than the level of assistance under part A of title IV of the Social Security Act to which such individual is eligible.

(4) **FAMILY SUPPORT SERVICES.**—Each community that is granted a waiver under this

title shall guarantee that appropriate child or other care is provided for each family with a dependent child or adult requiring such care, to the extent such care is necessary for an adult in the family to accept employment or remain employed with respect to the activities funded with amounts to which such waiver applies. Such child care shall be provided in a manner that is consistent with the provisions of the Child Care and Development Block Grant Act of 1990, and shall include coverage for transportation and other work-related expenses relating to such care in a manner consistent with section 402(g) of the Social Security Act.

## **SEC. 405. REGULATIONS.**

The Secretaries, in consultation with the Secretary of Agriculture, shall promulgate regulations that such Secretaries determine necessary to carry out this title. Such regulations shall ensure that individuals in an economically depressed community that receives a waiver under this title will continue to receive a level of benefits that, at a minimum, is comparable to the level of benefits that otherwise would be received under the programs described under section 403(b) if such waiver were not granted. Such regulations shall also permit waivers of certain requirements under the programs referred to in section 403(b) with respect to States and communities participating in projects under this title, including requirements concerning the provision of matching funds and concerning mandatory participation rates.

## **SEC. 406. PLAN OF IMPLEMENTATION AND EFFECT OF TITLE.**

(a) **PLAN.**—Not later than 6 months after the date of enactment of this title, the Secretaries shall prepare and submit to the appropriate committees of Congress a plan for the implementation of the demonstration projects established by the Secretaries under this title. Such plan shall contain—

(1) a description of the manner in which such Secretaries intend to implement such project;

(2) a copy of the regulations that such Secretaries intend to promulgate to carry out such project; and

(3) an estimation of the number of applications that such Secretaries expect to receive from communities for waivers under this title and a description of the activities that will be carried out with amounts to which any such waivers will apply.

(b) **EFFECTIVENESS.**—If, within 3 months after the date on which the plan of the Secretaries is submitted under subsection (a), the Congress has failed to consider and adopt a joint resolution for refusal of implementation or to modify such plan, such plan shall take effect.

## **SEC. 407. EVALUATION AND REPORT.**

(a) **EVALUATION.**—The Secretaries, in consultation with the Secretary of Agriculture shall maintain an ongoing evaluation of the projects funded under this title.

(b) **REPORT.**—Not later than 3 years after the date of enactment of this title, the Secretaries, in consultation with the Secretary of Agriculture shall prepare and submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a report concerning the effects of the waivers granted to communities under this title, that shall include the results of the evaluation conducted under subsection (a).

FACTSHEET—SENATOR JAY ROCKEFELLER, THE FAMILY INCOME SECURITY ACT OF 1992

The Family Income Security Act of 1992 addresses the economic needs of families



raising children by rewarding hard work, encouraging individual responsibility, and promoting strong, stable families. For middle class families, it provides a tax credit to offset the rising costs of raising children. For most poor families, it provides positive incentives for parents to choose work over welfare. Under the provisions of the Family Income Security Act, the combination of a minimum wage job, a refundable tax credit for children, the Earned Income Credit, and guaranteed child support will lift most low-income families out of poverty and into the economic and social mainstream. For all families, it says that society recognizes and values the job of raising children well.

The Family Income Security Act of 1992 is based on the income security recommendations of the National Commission on Children.

#### TITLE I—REFUNDABLE TAX CREDIT FOR CHILDREN

This title establishes a \$1,000 tax credit for each child up to age 19.

The tax credit is indexed for inflation.

The tax credit is refundable, i.e., families who do not earn enough to pay taxes or whose tax liability does not exceed the amount of the credit would receive cash equal to the amount of the credit.

The credit replaces the existing dependent exemption. At all income levels, the result is a net gain for families claiming the credit.

For families in the 31 percent tax bracket, the credit is worth one and one-half times the current personal exemption for dependents.

For families in the 15 percent tax bracket, the credit is worth three times the current present exemption for dependents.

For families that earn too little to have tax liability, the credit is worth \$1,000 cash.

A taxpayer awareness program will be established to inform the public of the availability of the new credit and how to file for it.

The program will coordinate with programs to increase public awareness of the earned income credit.

#### TITLE II—INCREASE OF THE EARNED INCOME CREDIT

Current law provides that the earned income credit for low-income working parents increases slightly for families with two or more children. The bill further adjusts the earned income credit to increase its value for families with three or more children.

The bill repeals the interactions of benefits under the earned income credit with other medical health insurance and dependent care tax benefits, so that recipients do not have to choose between the EIC and other tax credit. This removes a complication in computation and filing that often deters eligible tax filers from claiming the credit.

#### TITLE III—A CHILD SUPPORT INSURANCE DEMONSTRATION PROJECT

This title establishes a demonstration project in four to six states to ensure that every child with a noncustodial parent receives a minimum level of child support from that parent. When a noncustodial parent is unable to pay his or her full obligated amount of support, the federal government will provide a minimum benefit, provided the custodial parent has a child support order in place and cooperates with child support enforcement authorities.

The National Commission on Children recommended a pilot program as the first step toward establishment of a national child support insurance program, contingent on a positive report from the demonstration project.

Provisions of the child support insurance demonstration:

An insured child support benefit to be paid monthly to the custodial parent: \$1,500 per year minimum for the first child, \$1,000 per year minimum for the second child, and \$500 per year minimum for each subsequent child.

Reduction of the government benefit by the amount of child support received from the noncustodial parent.

Coordination with federal means-tested programs:

AFDC payments to families receiving an insured benefit would be reduced on a sliding scale, from 0 percent to 100 percent. The amount of the offset would vary to test the impact of the program on participant behavior. Eligibility for AFDC would not be affected by receipt of the insured benefit.

The child support benefit would be disregarded as income when determining eligibility for food stamps, Medicaid, housing assistance, or child care programs.

Requirement that parents receiving the government-insured benefit must have a child support order in force or have "good cause" not to seek such an order and that they cooperate with child support enforcement authorities.

Evaluation of the demonstration over a three year period, with a report to Congress and the Administration regarding the success of the demonstration, including the estimated cost savings from a strong child support enforcement program.

#### TITLE IV—COMMUNITY EMPLOYMENT OPPORTUNITY DEMONSTRATION

This title establishes a small demonstration program to give economically depressed communities the flexibility to use federal training funds from existing programs to create community employment opportunities for parents receiving welfare who cannot find employment. The pilot is limited to 15 to 25 communities. This demonstration is designed to help move parents from welfare to work by providing community employment in areas where it may be difficult for parents to find jobs in the private market.

The Secretaries of Health and Human Services, Labor, and Agriculture are directed to design a waiver program to enable eligible communities to target funding from the JOBS program, JTPA funding for adult employment, and the Food Stamp Employment and Training program into community employment.

Community employment waivers cannot be used to displace any workers or existing positions. Wages provided for community employment shall be comparable to wages provided to individuals in the community engaged in similar activities. Eligible job recipients would not be required to participate if wages do not equal or exceed the level of their AFDC benefit.

#### INTRODUCTION OF FAMILY INCOME SECURITY ACT OF 1992, SENATOR JOHN D. ROCKEFELLER IV

Mr. President, I am proud to introduce the Family Income Security Act of 1992. It addresses the economic needs of families raising children by rewarding hard work, encouraging individual responsibility, and promoting strong, stable families.

The major components of this legislation are: a \$1,000 refundable child tax credit for all children up to age 19, to replace the personal exemption for dependent children; simplification of the Earned Income Credit and further adjustments for family size; child support insurance demonstration projects that would combine tough child support en-

forcement with a government-insured minimum benefit when absent parents do not meet their support obligations; and waivers to economically depressed communities so they can use certain federal funds to create jobs for low-income parents who are willing and able to work but cannot find jobs on their own.

This legislation is a direct result of the work of the National Commission on Children, which I have the privilege of chairing. The Commission's 34 members—appointed by the Congress and the President—are a diverse group of individuals from all walks of life, all parts of the country, both political parties, and all points on the ideological spectrum. We each see the world very differently. By all accounts, we should be able to agree on absolutely nothing—least of all a vision of what America can and should be: a nation that puts its children and their families first.

Yet the National Commission made history this past summer when, in a unanimous, bipartisan vote, we agreed on a bold and comprehensive blueprint for public and private sector action on behalf of the nation's children.

Our consensus did not come easily. It is the result of two and a half years of work—of careful study and honest debate—of traveling the country together to see and hear firsthand the needs and concerns of parents and children.

At the center of the Commission's work is a comprehensive income security plan to ensure that all families raising children have the economic security they need to meet their children's physical, social, and emotional needs.

Children are the big economic losers of the past decade. They are the poorest Americans and have been since the mid-1970s. Today, one in five American children lives in a family whose income is below the federal poverty level. Many of these children are poor despite the fact that at least one of their parents is working.

Middle-class families are hurting as well. For most of our history, American parents have taken pride in the fact that each generation has been better educated, better housed, more skilled, and more economically secure than the previous one. But for many middle-income families, those days are over. Since the mid-1970s, wages have stagnated, while the costs of housing, feeding, and clothing children, purchasing health care and paying college tuition have all skyrocketed. At the same time, the tax burden on working families with children has nearly doubled—from 14 percent of family income in 1960, to almost 25 percent today.

It's no wonder so many middle-class families can no longer make ends meet on just one pay check—or that the majority of parents in a Commission survey said that money and time pressures were tearing at the seams of family life. And it's no wonder so many middle-class parents think their government has forgotten about them.

The National Commission on Children responded to the increasing economic vulnerability of families raising children with a comprehensive income security plan, which I am proud to introduce as legislation.

We called first for a \$1,000 refundable child tax credit to replace the current personal exemption for dependent children. This is a universal credit, available for all children up to age 19 regardless of their family's income, composition, or patterns of employment. For middle-income families, it is a tax cut to offset the rising costs of raising children. For

those in the 15 percent bracket, the \$1,000 credit is worth three times the amount of the present exemption. For those in the 31 percent bracket, it is worth almost 1.5 times what they now get. For poor families, it provides badly-needed help without the stigma of welfare. For low-income working families, it may be the essential boost they need to continue to choose work over welfare. And for all families, it says that as a society, we think the job of raising children is important and valuable.

Mr. President, there are many proposals before Congress to relieve the tax burden on average Americans and jumpstart our stalled economy. In meeting these important goals, however, we must avoid policies that further divide the middle class from the poor. Families raising children, regardless of income, have the same needs and the same aspirations. Most poor families have at least one adult who works or wants to work. They identify strongly with middle-class aspirations for security and material reward. Yet we relegate them to a welfare system that is fundamentally anti-work and anti-family, that stigmatizes parents and children, discourages hope, and fosters dependence.

If our goal is make all families strong, stable, and self-reliant, we must build a system that encourages all families, including poor families, to be part of the economic and social mainstream. Society has an equal stake in children who grow up economically secure and those who grow up in poverty—and our public policies must acknowledge that by providing the same incentives, expectations, and rewards to all families.

For that reason, we insist on a refundable child tax credit. A nonrefundable credit would deny basic income security to a substantial proportion of the nation's children—especially those who are most vulnerable. Rough estimates suggest that at least a quarter of all children would be excluded if the credit was not refundable—and about half of all black and Hispanic children. Twenty percent of children whose parents are employed and struggling to make ends meet would not benefit. In 1992, for example, a two-parent family with two children would have to have an income of \$15,250 to receive any benefit at all from a nonrefundable credit. Families with a parent who works full-time, full-year at minimum wage would be left out. So would families with one full-time and one half-time worker, both earning low wages.

Nor are proposals to increase the personal exemption acceptable. This approach provides the greatest benefit to families earning more than \$50,000 a year, and the least benefit to those earning below that amount—even though about 70 percent of children live in families with adjusted gross incomes below \$50,000. As with nonrefundable credit, working poor families earning less than \$15,250 would not benefit at all, and 20 percent of children in families with at least one worker would not benefit.

If we adopt a nonrefundable child tax credit or increase the personal exemption, we will be sending a clear message to working poor families that they are not as important, not as deserving—that our measure of worth is not how hard you work, but how much money you make.

The second component of this legislation is simplification of the Earned Income Credit and further adjustments to the credit for family size. The National Commission on Children strongly endorsed the Earned Income Credit. It is a highly effective means for targeting income assistance to employed

households with children. Last year Congress more than doubled the value of the EIC, adjusted it for families with two or more children, and provided special supplements for families who pay for health insurance or have an infant. These changes will be fully phased in by 1994.

Unfortunately, an unintended consequence of last year's expansion was to increase the complexity of the form that must be filed by more than 12 million low-income working families who are eligible for the credit. This added complexity may result in as many as 3 million eligible taxpayers who will not file at all or who will file incorrectly. As a result they will not receive the full credit to which they are entitled or their refunds could be seriously delayed.

If we are serious about encouraging work over welfare, then let's stop placing roadblocks in front of the millions of working poor parents who are trying to do what's right and best for their children. To reduce these barriers, my legislation will eliminate the interaction rules between the EIC's young child supplement and the Dependent Care Tax Credit, and between the EIC's health insurance credit and other medical deductions.

The Commission also urged further adjustments to the EIC for family size. This legislation therefore also adjusts the credit to provide additional support to families with three or more children.

Third, the National Commission on Children believes strongly that one parent should not be expected to bear the burden of two. All parents are responsible for supporting their children whether they live with them or not. Yet a third of all absent parents—mostly fathers—pay no child support at all. And many others pay only a fraction of the amount they owe. Only one custodial parent in four receives the full amount of court-ordered child support from an absent parent. All too often, when absent parents shirk their responsibility, the rest of us support their children—through AFDC, Medicaid, food stamps, and other welfare programs. The nation is slowly awakening to the realization that failure to pay child support has reached epidemic proportions—and the victims of this epidemic are millions of American children.

The National Commission on Children recommended much tougher child support enforcement—because absent fathers have had a free ride long enough, because the taxpayers have borne their burden long enough, and, most importantly, because their children need their support.

We also proposed a new social contract between custodial parents and the government. The government will provide a custodial parent and her children with a minimum insured child support benefit—up to \$1,500 per year for the first child, \$1,000 for the second, and \$500 for all subsequent children—when an absent parent cannot meet his obligations. To be eligible for this benefit, however, a custodial parent must have established paternity, and must have in place either a court-ordered child support award or a voluntary agreement to pay child support. This cooperation will give the government the tools it needs to pursue absent parents and make them pay. When absent parents are truly unable to support their children, and only then, the government will provide a minimum benefit.

Our best estimates indicate that an efficient and effective child support system could yield \$24 to \$29 billion a year—up to four times the amount now collected—and

reduce or eliminate some families' dependence on welfare. Such a system would also underscore the importance society attaches to parenthood. It sends a very clear message: if you bring children into the world, you are responsible for their material support—and we will hold you to that obligation.

Because this is a radical departure from present practice, the Commission called first for a national demonstration in 4 to 6 states to test the concept and work out the administrative bugs. If it is successful—and I believe it will be—this child support insurance system should be implemented nationwide.

Finally, parents who are willing and able to work sometimes need a helping hand. For those moving from welfare to work, the Family Support Act provides job training, child care, continued health insurance benefits, and other benefits, and we strongly endorse these efforts. For those who have difficulty entering the job market on their own, the Commission encouraged states and communities to provide employment opportunities. This legislation calls on the secretaries of Labor, Health and Human Services, and Agriculture to work together to grant waivers that will allow economically depressed communities to use some of their existing federal funds coming to create jobs that meet local community needs and pay comparable wages.

Mr. President, passage of this legislation will make all families with children economically better off. Middle-class families will keep more of what they earn. And the combination of a minimum wage job, the Earned Income Tax Credit, the refundable child tax credit, and guaranteed child support will lift most low-income families out of poverty—in a way that rewards hard work and encourages personal responsibility. Welfare could once again become the transitional program it was intended to be—helping families through periods of severe economic hardship rather than supporting them indefinitely and inadequately. Families who work hard and play by the rules will no longer lose out—and their children will be the biggest winners of all. Fewer will grow up in poverty, and over time, fewer families will depend on welfare.

The provisions of this legislation will cost approximately \$40.4 billion in the first year of their enactment—\$40.3 billion for the refundable child tax credit, and \$100 million for the child support demonstrations. To pay for these and its other recommendations, the National Commission on Children offered seven alternative financing packages. In varying combinations, they include new revenue sources and possible reallocations of current federal spending.

In the last year, public concern and attention have focused sharply on the nation's continuing economic slump and the problems facing an increasing number of American children. We have a rare opportunity to address both these concerns through adoption of this legislation. It provides badly needed tax relief to families raising children, makes a critical national investment in children's well-being, and enables parents, through work and individual responsibility, to meet their children's material needs. I hope Congress and the President, like the Commission they appointed, will give this proposal their enthusiastic, bipartisan support.

By Mr. BURNS:

S. 2238. A bill for the relief of J&V Restaurant Supply and Refrigeration, and for other purposes; to the Committee on the Judiciary.



## RELIEF OF J&amp;V RESTAURANT SUPPLY AND REFRIGERATION

Mr. BURNS. Mr. President, I will ask unanimous consent that I introduce a private relief bill at this time and ask that it be referred to the proper committee.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

By Mr. PRYOR (for himself, Mr. GRASSLEY, Mr. REID, Mr. FOWLER, Mr. MOYNIHAN, Mr. SYMMS, Mr. BOREN, Mr. HATCH, Mr. BREAUX, Mr. AKAKA, Mr. BOND, Mr. BRYAN, Mr. BUMPERS, Mr. BURDICK, Mr. EXON, Mr. GORE, Mr. HATFIELD, Mr. HOLLINGS, Mr. JOHNSTON, Mr. KASTEN, Mr. KERRY, Mr. DASCHLE, Mr. MACK, Mr. NICKLES, Mr. PRESSLER, Mr. SANFORD, Mr. SHELBY, Mr. WIRTH, Mr. CRANSTON, Mr. ADAMS, Mr. LOTT, Mr. ROCKEFELLER, Mr. RIEGLE, Mr. SIMON, Mr. STEVENS, and Mr. BAUCUS):

S. 2239. A bill to amend the Internal Revenue Code of 1986 to provide additional safeguards to protect taxpayer rights; to the Committee on Finance.

## TAXPAYERS BILL OF RIGHTS 2

Mr. PRYOR. Mr. President, on November 6, 1991, I announced to the Senate at that time I planned to introduce the taxpayers bill of rights 2. We are introducing, as we call it, T2. I am very honored that we now have some 29 Senators as cosponsors and advocates for T2 which we think is a very necessary piece of legislation for fair implementation to our existing Tax Code.

Mr. President, I wish to make a personal observation at this time. The distinguished occupant of the chair in January 1987, when the Senator from Arkansas happened to be presiding over the Senate for the maiden address of the distinguished occupant of the chair from Nevada, Senator HARRY REID, stood on the floor of the Senate and talked about the need for a taxpayers bill of rights. I will never forget at the conclusion of those remarks I sent the distinguished Senator a note saying I want to be your partner, I want to join with you because we need to give to the average taxpayer in our country additional rights in dealing with the Internal Revenue Service.

Once again, I am proud to be a partner with the distinguished occupant of the chair, the Senator from Nevada, HARRY REID.

In my announcement last November, Mr. President, I outlined 24 proposals for T2. I stated that I looked forward to meeting with the tax experts, and those representing taxpayers in developing legislation, with those 24 proposals as the starting point to build on the original taxpayers' bill of rights passed in 1988.

On December 10, 1991, I held a hearing in the Senate Finance Committee on

private retirement plans and oversight of the IRS.

Mr. President, at that hearing we listened to a taxpayer. His name was Raymon Portillo. He is a housepainter from El Paso, TX. His age, 72. Mr. Portillo had suffered, and continues to suffer, through a 5-year ordeal with the Internal Revenue Service over a false information return from his employer.

The Internal Revenue Service, Mr. President, spent tens of thousands of dollars—perhaps hundreds of thousands of dollars—pursuing this 72-year-old housepainter all the way to the Fifth Circuit Court of Appeals over an alleged \$8,000 tax liability. Despite the IRS's goliath efforts against this housepainter, the Fifth Circuit held the IRS position to be "clearly arbitrary and erroneous." The IRS lost in the Fifth Circuit Court of Appeals.

Mr. Portillo has asked that his attorney's fees and court costs be paid. The result: the Internal Revenue Service has refused, deciding once again to battle this 72-year-old housepainter from El Paso, TX, in court.

During that December 10 hearing, and over the past several months, we have listened to small business people, we have listened to big business people; we have listened to tax experts from all walks of life; we have listened to groups representing taxpayers; and we have heard from the General Accounting Office which prepared a study on the implementation of the original taxpayer bill of rights.

Mr. President, I stand firm in my commitment to improve our tax system, its fairness, and its equity. Therefore, I am proud today, as I have stated before, to introduce the taxpayer bill of rights 2 with 29 of my colleagues in the Senate, including Senator GRASSLEY, Senator REID, Senator FOWLER, and others, who have long championed the cause of taxpayers' rights.

I believe T2 is the logical next step to build upon the foundation laid by the original taxpayer bill of rights.

T2 is about fairness. It is about equity for the taxpayer. It is about due process for the taxpayer. It is about respect that the taxpayers must have for the tax collector, the Internal Revenue Service.

We look on a daily basis to our citizens to respect this tax system and to respect the agency of Government that has been assigned the very difficult task of administering it. At the same time, we have a right to expect that the men and women of the IRS, 117,000 men and women, also respect that individual taxpayer and demonstrate that respect through courtesy, competence, and cooperation.

Mr. President, the purpose of T2 is not to diminish the right nor the responsibilities of the Internal Revenue Service to collect the taxes.

The purpose of T2 is simply to make the IRS more accountable for its ac-

tions. It is that simple. The taxpayer bill of rights 2 will among other items:

First, replace the current taxpayer ombudsman, who reports directly to the IRS Commissioner, with a new taxpayer advocate who will be appointed by the President of the United States and will be subject to confirmation by the U.S. Senate.

Second, the taxpayer advocate will report directly to Congress on taxpayer problems and the taxpayer advocate's recommendations and initiatives in resolving these problems.

Third, we think that the local Problem Resolution Office [PRO's] should report directly to the taxpayer advocate instead of to the local district directors of the Internal Revenue Service. We have decided, Mr. President, that provision should be included and be made a top priority in the taxpayer bill of rights 2.

Mr. President, these three proposals will allow there to be a much more independent and effective advocate working for taxpayers within the Internal Revenue Service.

There is a fourth concern we have, and we have expressed it by including it in the taxpayer bill of rights 2. We expand the PRO's authority to issue taxpayer assistant orders [TAO's] which may only be rescinded by the taxpayer advocate or the IRS Commissioner.

Fifth, the taxpayer bill of rights 2 gives individual taxpayers the automatic right to an installment agreement if that taxpayer has not been delinquent in the previous 3 years of his or her liability and if that liability is under \$10,000.

Sixth, it requires the Internal Revenue Service to abate the interest for unreasonable IRS errors or delays.

Seventh, it provides numerous safeguards for divorced or separated spouses.

Eighth, Mr. President, T2 eliminates the differential between interest the taxpayer pays to the IRS and the interest the IRS pays to the taxpayer. Mr. President, we make those interest rates the same.

Ninth, T2 strengthens the IRS Code so that a taxpayer may recover out-of-pocket costs incurred in a case in which the taxpayer has substantially prevailed and the IRS' position was not substantially justified.

Tenth, T2 provides safeguards to taxpayers where the IRS determines a tax deficiency based on an information return, as in the case of Mr. Portillo, the 72-year-old housepainter from El Paso.

Eleventh, we require that all regulations issued by the Treasury Department be prospective unless expressly provided otherwise by Congress.

Mr. President, this, in my opinion is one of the critical elements of the taxpayer bill of rights 2. It is almost unimaginable today that we have an agency of the U.S. Government, the In-

ternal Revenue Service, that has the authority and the power to issue regulations that apply retroactively. But the Internal Revenue Service does it all the time. We are going to eliminate that authority.

But if any semblance of that authority-need exists, Congress is going to have to expressly provide that authority, in certain unique situations. I do not know what they would be, but I think that retroactivity should not be the policy of our Government.

Finally, Mr. President, there are a number of other provisions designed to safeguard taxpayers' rights which are explained in the summary description I will provide for the RECORD.

I am going to include T2 as a part of any tax bill consideration this year. I think it is necessary.

Mr. President, I think if we are going to have any sort of an economic recovery program, whether it is the President's or someone else's, or all of us get together and have one, I think that we need to safeguard the rights of the taxpayer.

I think also, Mr. President, that if we have a tax bill per se, that the tax collector must have the respect of the taxpayer, and that the tax collector also must realize that the taxpayer has certain basic rights that must not be violated.

Mr. President, I ask unanimous consent that the statements of Senators FOWLER and BOREN be printed in the RECORD, along with the bill and a summary description of the legislation.

I also ask unanimous consent to include as original cosponsors the names of Senator GORE, Senator HATCH, and Senator ADAMS.

Mr. LOTT. Mr. President, will the Senator yield?

Mr. PRYOR. Yes.

Mr. LOTT. I would like to have my name included in that, also.

Mr. PRYOR. Mr. President, I ask unanimous consent that Senator LOTT, my friend from Mississippi, be placed on the bill as an original cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PRYOR. Mr. President, I want to correct the RECORD for a moment: Senator HATCH also has a statement. I ask unanimous consent that his statement be made a part of the RECORD.

Mr. PRYOR. I would like to read into the RECORD the names of those individual cosponsors who have come forward to cosponsor the taxpayer bill of rights 2:

Senators GRASSLEY, REID, FOWLER, MOYNIHAN, SYMMS, BOREN, HATCH, BREAUX, AKAKA, BOND, BRYAN, BUMPERS, BURDICK, EXON, GORE, HATFIELD, HOLLINGS, JOHNSTON, KASTEN, JOHN KERRY of Massachusetts, Senators MACK, NICKLES, PRESSLER, SANFORD, SHELBY, WIRTH, CRANSTON, ADAMS, and now my good friend, Senator LOTT from Mississippi.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 2239

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

# SECTION 1. SHORT TITLE; AMENDMENT OF 1986 CODE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Taxpayer Bill of Rights 2".

(b) AMENDMENT OF 1986 CODE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

(c) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

Sec. 1. Short title; amendment of 1986 code; table of contents.

## TITLE I—TAXPAYER ADVOCATE

Sec. 101. Establishment of position of Taxpayer Advocate within Internal Revenue Service.

Sec. 102. Expansion of authority to issue taxpayer assistance orders.

## TITLE II—MODIFICATIONS TO INSTALLMENT AGREEMENT PROVISIONS

Sec. 201. Taxpayer's right to installment agreement.

Sec. 202. Notification of reasons for termination of installment agreements.

Sec. 203. Administrative review of denial of request for, or termination of, installment agreement.

Sec. 204. Running of failure to pay penalty suspended during period installment agreement in effect.

## TITLE III—INTEREST

Sec. 301. Expansion of authority to abate interest.

Sec. 302. Extension of interest-free period for payment of tax after notice and demand.

Sec. 303. Equalization of interest rates.

## TITLE IV—JOINT RETURNS

Sec. 401. Requirement of separate deficiency notices in certain cases.

Sec. 402. Disclosure of collection activities.

Sec. 403. Joint return may be made after separate returns without full payment of tax.

Sec. 404. Representation of absent divorced or separated spouse by other spouse.

## TITLE V—COLLECTION ACTIVITIES

Sec. 501. Notice of proposed deficiency.

Sec. 502. Modifications to lien and levy provisions.

Sec. 503. Offers-in-compromise.

Sec. 504. Notification of examination.

Sec. 505. Removal of certain limits on recovery of civil damages for unauthorized collection actions.

Sec. 506. Safeguards relating to designated summons.

## TITLE VI—INFORMATION RETURNS

Sec. 601. Phone number of person providing payee statements required to be shown on such statement.

Sec. 602. Civil damages for fraudulent filing of information returns.

Sec. 603. Requirement to conduct reasonable investigations of information returns.

## TITLE VII—MODIFICATIONS TO PENALTY FOR FAILURE TO COLLECT AND PAY OVER TAX

Sec. 701. Trust fund taxes.

Sec. 702. Disclosure of certain information where more than 1 person subject to penalty.

Sec. 703. No penalty if prompt notification of the Secretary.

Sec. 704. Penalties under section 6672.

## TITLE VIII—AWARDING OF COSTS AND CERTAIN FEES

Sec. 801. Definition of prevailing party.

Sec. 802. Commencement date of reasonable administrative costs.

Sec. 803. Increased limit on attorney fees.

Sec. 804. Failure to agree to extension not taken into account.

Sec. 805. Effective date.

## TITLE IX—OTHER PROVISIONS

Sec. 901. Required content of certain notices.

Sec. 902. Protection for taxpayers who rely on certain guidance of the Internal Revenue Service.

Sec. 903. Relief from retroactive application of Treasury Department regulations.

Sec. 904. Required notice of certain payments.

Sec. 905. Certain costs of preparing tax returns fully deductible.

## TITLE I—TAXPAYER ADVOCATE

### SEC. 101. ESTABLISHMENT OF POSITION OF TAXPAYER ADVOCATE WITHIN INTERNAL REVENUE SERVICE.

(a) GENERAL RULE.—Section 7802 (relating to Commissioner of Internal Revenue; Assistant Commissioner (Employee Plans and Exempt Organizations)) is amended by adding at the end thereof the following new subsection:

"(d) OFFICE OF TAXPAYER ADVOCATE.—

"(1) IN GENERAL.—There is established in the Internal Revenue Service an office to be known as the 'Office of the Taxpayer Advocate'. Such office, including all problem resolution officers, shall be under the supervision and direction of an official to be known as the 'Taxpayer Advocate' who shall be appointed by the President, by and with the advice and consent of the Senate. The Taxpayer Advocate shall report directly to the Commissioner of Internal Revenue and shall be entitled to compensation at the same rate as the Chief Counsel for the Internal Revenue Service. The Commissioner of Internal Revenue may appoint, without regard to the provisions of the civil service laws, and fix the duties of a deputy Taxpayer Advocate, who shall be entitled to compensation at the same rate as the Deputy Chief Counsel for the Internal Revenue Service.

"(2) FUNCTIONS OF OFFICE.—

"(A) IN GENERAL.—It shall be the function of the Office of Taxpayer Advocate to—

"(i) assist taxpayers in resolving problems with the Internal Revenue Service,

"(ii) identify areas in which taxpayers have problems in dealings with the Internal Revenue Service,

"(iii) to the extent possible, propose changes in the administrative practices of the Internal Revenue Service to mitigate problems identified under clause (ii), and

"(iv) identify potential legislative changes which may be appropriate to mitigate such problems.

"(B) ANNUAL REPORTS.—

"(i) OBJECTIVES.—Not later than October 31 of each calendar year after 1991, the Taxpayer Advocate shall report to the Committee on Ways and Means of the House of Rep-



representatives and the Committee on Finance of the Senate on the objectives of the Taxpayer Advocate for the following calendar year. Any such report shall contain full and substantive analysis, in addition to statistical information.

"(II) ACTIVITIES.—Not later than December 31 of each calendar year after 1991, the Taxpayer Advocate shall report to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate on the activities of the Taxpayer Advocate during the fiscal year ending during such calendar year. Any such report shall contain full and substantive analysis, in addition to statistical information, and shall—

"(I) identify the initiatives the Taxpayer Advocate has taken on improving taxpayer services and Internal Revenue Service responsiveness,

"(II) contain recommendations received from individuals with the authority to issue taxpayer assistance orders (within the meaning of section 7811(f)),

"(III) contain a summary of at least 20 of the most serious problems encountered by taxpayers, including a description of the nature of such problems,

"(IV) contain an inventory of the items described in subclauses (I), (II), and (III) for which action has been taken and the result of such action,

"(V) contain an inventory of the items described in subclauses (I), (II), and (III) for which action remains to be completed and the period during which each item has remained on such inventory,

"(VI) contain an inventory of the items described in subclauses (II) and (III) for which no action has been taken, the period during which each item has remained on such inventory, the reasons for the inaction, and identify any Internal Revenue Service official who is responsible for such inaction,

"(VII) identify any Taxpayer Assistance Order which was not honored by the Internal Revenue Service in a timely manner, as specified under section 7811(b),

"(VIII) contain recommendations for such administrative and legislative action as may be appropriate to resolve problems encountered by taxpayers, and

"(IX) include such other information as the Taxpayer Advocate may deem advisable.

"(3) RESPONSIBILITIES OF COMMISSIONER OF INTERNAL REVENUE SERVICE.—The Commissioner of Internal Revenue shall establish procedures requiring a formal response to all recommendations submitted to the Commissioner by the Taxpayer Advocate."

(b) CONFORMING AMENDMENTS.—

(1) Section 7811 (relating to taxpayer assistance orders) is amended—

(A) by striking "the Office of Ombudsman" in subsection (a) and inserting "the Office of the Taxpayer Advocate", and

(B) by striking "Ombudsman" each place it appears (including in the headings of subsections (e) and (f)) and inserting "Taxpayer Advocate".

(2) The heading for section 7802 is amended to read as follows:

**"SEC. 7802. COMMISSIONER OF INTERNAL REVENUE; ASSISTANT COMMISSIONERS; TAXPAYER ADVOCATE."**

(3) The table of sections for subchapter A of chapter 80 of subtitle F is amended by striking the item relating to section 7802 and inserting the following new item:

**"Sec. 7802. Commissioner of Internal Revenue; Assistant Commissioners; Taxpayer Advocate."**

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall take effect on the date of the enactment of this Act.

(2) TRANSITIONAL RULE.—If the Commissioner of Internal Revenue appoints the Deputy Taxpayer Advocate before the first Taxpayer Advocate takes office, the Deputy Taxpayer Advocate shall not be considered the Acting Taxpayer Advocate unless the individual appointed is the head of the Office of the Taxpayer Ombudsman on the date of the enactment of this Act.

#### **SEC. 102. EXPANSION OF AUTHORITY TO ISSUE TAXPAYER ASSISTANCE ORDERS.**

(a) TAXPAYER'S HARDSHIP.—Section 7811(a) (relating to authority to issue) is amended by striking "significant".

(b) TERMS OF ORDERS.—Subsection (b) of section 7811 (relating to terms of taxpayer assistance orders) is amended—

(1) by inserting "within a specified time period" after "the Secretary", and

(2) by striking "cease any action" and inserting "cease any action, take any action".

(c) LIMITATION ON AUTHORITY TO MODIFY OR RESCIND.—Section 7811(c) (relating to authority to modify or rescind) is amended to read as follows:

"(c) AUTHORITY TO MODIFY OR RESCIND.—Any Taxpayer Assistance Order issued by the Taxpayer Advocate under this section may be modified or rescinded only by the Taxpayer Advocate or any superior of the Taxpayer Advocate."

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act.

#### **TITLE II—MODIFICATIONS TO INSTALLMENT AGREEMENT PROVISIONS**

##### **SEC. 201. TAXPAYER'S RIGHT TO INSTALLMENT AGREEMENT.**

(a) IN GENERAL.—Subsection (a) of section 6159 (relating to agreements for payment of tax liability in installments) is amended to read as follows:

"(a) IN GENERAL.—

"(1) AUTHORIZATION OF AGREEMENTS.—The Secretary is authorized to enter into written agreements with any taxpayer under which such taxpayer is allowed to satisfy liability for payment of any tax in installment payments if the Secretary determines that such agreement will facilitate collection of such liability.

"(2) AGREEMENT AS A MATTER OF RIGHT.—In the case of any taxpayer other than a corporation, the Secretary shall enter into such an agreement if—

"(A) the taxpayer requests such an agreement,

"(B) the tax liability is attributable to the tax imposed under chapter 1 and is less than \$10,000, and

"(C) the taxpayer has paid any tax liability for the 3 preceding taxable years at the time such liability was due."

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on the date of the enactment of this Act.

##### **SEC. 202. NOTIFICATION OF REASONS FOR TERMINATION OF INSTALLMENT AGREEMENTS.**

(a) GENERAL RULE.—Subsection (b) of section 6159 (relating to extent to which agreements remain in effect) is amended by adding at the end thereof the following new paragraph:

"(5) NOTICE REQUIREMENTS.—The Secretary may not take any action under paragraph (2), (3), or (4) unless—

"(A) a notice of such action is provided to the taxpayer not later than the day 30 days before the date of such action, and

"(B) such notice includes an explanation why the Secretary intends to take such action.

The preceding sentence shall not apply in any case in which the Secretary believes that collection of any tax to which an agreement under this section relates is in jeopardy."

(b) CONFORMING AMENDMENT.—Paragraph (3) of section 6159(b) is amended to read as follows:

"(3) SUBSEQUENT CHANGE IN FINANCIAL CONDITIONS.—If the Secretary makes a determination that the financial condition of a taxpayer with whom the Secretary has entered into an agreement under subsection (a) has significantly changed, the Secretary may alter, modify, or terminate such agreement."

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date 6 months after the date of the enactment of this Act.

##### **SEC. 203. ADMINISTRATIVE REVIEW OF DENIAL OF REQUEST FOR, OR TERMINATION OF, INSTALLMENT AGREEMENT.**

(a) GENERAL RULE.—Section 6159 (relating to agreements for payment of tax liability in installments) is amended by adding at the end thereof the following new subsection:

"(c) ADMINISTRATIVE REVIEW.—The Secretary shall establish procedures for an independent administrative review of denials of requests for, or terminations of, installment agreements under this section."

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on the date of the enactment of this Act.

##### **SEC. 204. RUNNING OF FAILURE TO PAY PENALTY SUSPENDED DURING PERIOD IN WHICH INSTALLMENT AGREEMENT IN EFFECT.**

(a) GENERAL RULE.—Section 6651 (relating to penalty for failure to file tax return or to pay tax) is amended by adding at the end thereof the following new subsection:

"(g) TREATMENT OF INSTALLMENT AGREEMENTS UNDER SECTION 6159.—If an agreement is entered into under section 6159 for the payment of any tax in installments, the period during which such agreement is in effect shall be disregarded in determining the amount of any addition under paragraph (2) or (3) of subsection (a) with respect to such tax."

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to installment agreements entered into after the date of the enactment of this Act.

#### **TITLE III—INTEREST**

##### **SEC. 301. EXPANSION OF AUTHORITY TO ABATE INTEREST.**

(a) GENERAL RULE.—Paragraph (1) of section 6404(e) (relating to abatement of interest in certain cases) is amended—

(1) by striking "any error or delay" each place it appears and inserting "any unreasonable error or delay",

(2) by striking "in performing a ministerial act" each place it appears, and

(3) by striking "may abate" and inserting "shall abate (or refund)".

(b) CLERICAL AMENDMENT.—The subsection heading for subsection (e) of section 6404 is amended by striking "ASSESSMENTS" and inserting "ABATEMENT".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to interest accruing with respect to deficiencies or payments for taxable years beginning after the date of the enactment of this Act.

##### **SEC. 302. EXTENSION OF INTEREST-FREE PERIOD FOR PAYMENT OF TAX AFTER NOTICE AND DEMAND.**

(a) GENERAL RULE.—Paragraph (3) of section 6601(e) (relating to payments made with-

in 10 days after notice and demand) is amended to read as follows:

"(3) **PAYMENTS MADE WITHIN SPECIFIED PERIOD AFTER NOTICE AND DEMAND.**—If notice and demand is made for payment of any amount and if such amount is paid within 21 days (10 days if the amount for which such notice and demand is made equals or exceeds \$100,000) after the date of such notice and demand, interest under this section on the amount so paid shall not be imposed for the period after the date of such notice and demand."

(b) **EFFECTIVE DATE.**—The amendment made by subsection (a) shall apply in the case of any notice and demand given after the date 6 months after the date of the enactment of this Act.

#### SEC. 303. EQUALIZATION OF INTEREST RATES.

(a) **GENERAL RULE.**—Paragraph (1) of section 6621(a) (defining overpayment rate) is amended by striking "2 percentage points" and inserting "3 percentage points".

(b) **EFFECTIVE DATE.**—The amendment made by subsection (a) shall apply for purposes of determining interest for periods after December 31, 1992.

#### TITLE IV—JOINT RETURNS

##### SEC. 401. REQUIREMENT OF SEPARATE DEFICIENCY NOTICES IN CERTAIN CASES.

(a) **GENERAL RULE.**—Paragraph (2) of section 6212(b) (relating to address for notice of deficiency) is amended to read as follows:

"(2) **JOINT INCOME TAX RETURN.**—In the case of a joint income tax return filed by a husband and wife, any notice of deficiency described in paragraph (1) may be a single joint notice, except that if—

"(A) such spouses did not file a joint return within each other for the most recent taxable year for which data are available on the master files of the Internal Revenue Service, or

"(B) the Secretary has been notified by either spouse that separate residences have been established,

then, in lieu of the single joint notice, a duplicate original of the joint notice shall be sent by certified mail or registered mail to each spouse at such spouse's last known address."

(b) **EFFECTIVE DATE.**—The amendment made by subsection (a) shall take effect on the date 6 months after the date of the enactment of this Act.

##### SEC. 402. DISCLOSURE OF COLLECTION ACTIVITIES.

(a) **GENERAL RULE.**—Subsection (e) of section 6103 (relating to disclosure to persons having material interest) is amended by adding at the end thereof the following new paragraph:

"(8) **DISCLOSURE OF COLLECTION ACTIVITIES WITH RESPECT TO JOINT RETURN.**—If any deficiency of tax with respect to a joint return is assessed and the individuals filing such return are no longer married or no longer reside in the same household, upon request in writing of either of such individuals, the Secretary may disclose in writing to the individual making the request whether the Secretary has attempted to collect such deficiency from such other individual, the general nature of such collection activities, and the amount collected."

(b) **EFFECTIVE DATE.**—The amendment made by subsection (a) shall take effect on the date of the enactment of this Act.

##### SEC. 403. JOINT RETURN MAY BE MADE AFTER SEPARATE RETURNS WITHOUT FULL PAYMENT OF TAX.

(a) **GENERAL RULE.**—Paragraph (2) of section 6013(b) (relating to limitations on filing

of joint return after filing separate returns) is amended by striking subparagraph (A) and redesignating the following subparagraphs accordingly.

(b) **EFFECTIVE DATE.**—The amendment made by subsection (a) shall apply to taxable years beginning after the date of the enactment of this Act.

##### SEC. 404. REPRESENTATION OF ABSENT DIVORCED OR SEPARATED SPOUSE BY OTHER SPOUSE.

(a) **IN GENERAL.**—Section 7605 (relating to time and place of examination) is amended by redesignating subsection (c) as subsection (d) and by inserting after subsection (b) the following new subsection:

"(c) **REPRESENTATION OF ABSENT DIVORCED OR SEPARATED SPOUSE BY OTHER SPOUSE.**—In the case of an examination of an individual with respect to a joint income tax return filed by such individual and the individual's spouse who is no longer married to such individual or no longer resides in the same household and is absent from such examination, the individual may not represent the absent spouse at the examination unless the absent spouse acknowledges such representation in writing."

(b) **EFFECTIVE DATE.**—The amendment made by subsection (a) shall take effect on the date of the enactment of this Act.

#### TITLE V—COLLECTION ACTIVITIES

##### SEC. 501. NOTICE OF PROPOSED DEFICIENCY.

(a) **IN GENERAL.**—Subchapter B of chapter 63 (relating to assessment) is amended by inserting after section 6211 the following new section:

###### "SEC. 6211A. NOTICE OF PROPOSED DEFICIENCY.

"(a) **IN GENERAL.**—If, after the examination of a return, the Secretary determines that there may be a deficiency in respect of any tax imposed by subtitle A or B or chapter 41, 42, 43, 44, or 45, the Secretary shall send a notice of proposed deficiency to the taxpayer by certified mail or registered mail to an address as determined under section 6212(b).

"(b) **TIMING OF NOTICE.**—

"(1) **IN GENERAL.**—The mailing of the notice of proposed deficiency shall precede any mailing of a deficiency notice under section 6212 by at least 60 days.

"(2) **AGREEMENT TO SUSPEND PERIOD OF LIMITATIONS.**—If less than a 6-month period remains in the period of limitations provided in section 6501, 6502, or 6229, the taxpayer may agree, in writing, to a period of suspension of such period of limitations in order to allow the Secretary to send a notice of proposed deficiency.

"(c) **NO NOTICE IN JEOPARDY ASSESSMENT.**—Paragraph (1) shall not apply if the Secretary makes a jeopardy assessment."

(b) **CONFORMING AMENDMENT.**—Section 6503 (relating to suspension of running of period of limitation) is amended by inserting after subsection (i) the following new subsection:

"(j) **SUSPENSION PENDING NOTICE.**—The running of the period of limitations provided in section 6501, 6502, or 6229 on the making of assessments or the collection by levy or a proceeding in court, in respect of any deficiency defined in section 6211A(a) shall be suspended for any period described in section 6211A(b)(2)."

(c) **CLERICAL AMENDMENT.**—The table of sections for subchapter B of chapter 63 is amended by inserting after the item relating to section 6211 the following new item:

"Sec. 6211A. Notice of proposed deficiency."

(c) **EFFECTIVE DATE.**—The amendments made by this section shall take effect with respect to deficiencies determined after the date of the enactment of this Act.

##### SEC. 502. MODIFICATIONS TO LIEN AND LEVY PROVISIONS.

(a) **WITHDRAWAL OF CERTAIN NOTICES.**—Section 6323 (relating to validity and priority against certain persons) is amended by adding at the end thereof the following new subsection:

"(j) **WITHDRAWAL OF NOTICE IN CERTAIN CIRCUMSTANCES.**—

"(1) **IN GENERAL.**—The Secretary may withdraw a notice of a lien filed under this section and this chapter shall be applied as if the withdrawn notice had not been filed, if the Secretary determines that—

"(A) the filing of such notice was premature or otherwise not in accordance with administrative procedures of the Secretary,

"(B) the taxpayer has entered into an agreement under section 6159 to satisfy the tax liability for which the lien was imposed by means of installment payments, unless such agreement provides otherwise,

"(C) the withdrawal of such notice will facilitate the collection of the tax liability, or

"(D) with the consent of the taxpayer or the Taxpayer Advocate, the withdrawal of such notice would be in the best interests of the taxpayer and the United States.

Any such withdrawal shall be made by filing notice thereof at the same office as the withdrawn notice.

"(2) **NOTICE TO CREDIT AGENCIES, ETC.**—Upon written request by the taxpayer with respect to whom a notice of a lien was withdrawn under paragraph (1), the Secretary shall promptly make reasonable efforts to notify credit reporting agencies, and financial institutions specified in such request, of the withdrawal of such notice. Any such request shall be in such form as the Secretary may prescribe."

(b) **RETURN OF LEVIED PROPERTY IN CERTAIN CASES.**—Section 6343 (relating to authority to release levy and return property) is amended by adding at the end thereof the following new subsection:

"(d) **RETURN OF PROPERTY IN CERTAIN CASES.**—If—

"(1) any property has been levied upon, and

"(2) the Secretary determines that—

"(A) the levy on such property was premature or otherwise not in accordance with administrative procedures of the Secretary,

"(B) the taxpayer has entered into an agreement under section 6159 to satisfy the tax liability for which the levy was imposed by means of installment payments, unless such agreement provides otherwise,

"(C) the return of such property will facilitate the collection of the tax liability, or

"(D) with the consent of the taxpayer or the Taxpayer Advocate, the return of such property would be in the best interests of the taxpayer and the United States,

the provisions of subsection (b) shall apply in the same manner as if such property had been wrongly levied upon, except that no interest shall be allowed under subsection (c)."

(c) **MODIFICATIONS IN CERTAIN LEVY EXEMPTION AMOUNTS.**—

(1) **FUEL, ETC.**—Paragraph (2) of section 6334(a) (relating to fuel, provisions, furniture, and personal effects exempt from levy) is amended—

(A) by striking "If the taxpayer is the head of a family, so" and inserting "So", and

(B) by striking "\$1,650 (\$1,500 in the case of levies issued during 1989)" and inserting "\$1,700".

(2) **BOOKS, ETC.**—Paragraph (3) of section 6334(a) (relating to books and tools of a trade, business, or profession exempt from levy) is amended by striking "\$1,100 (\$1,050 in the case of levies issued during 1989)" and inserting "\$1,200".



(3) INDEXED FOR INFLATION.—Section 6334 (relating to property exempt from levy) is amended by adding at the end thereof the following new subsection:

“(f) INFLATION ADJUSTMENTS.—

“(1) IN GENERAL.—In the case of any calendar year beginning after 1993, each dollar amount referred to in paragraphs (2) and (3) of subsection (a) shall be increased by an amount equal to—

“(A) such dollar amount, multiplied by

“(B) the cost-of-living adjustment determined under section 1(f)(3), for such calendar year, by substituting ‘calendar year 1992’ for ‘calendar year 1989’ in subparagraph (B) thereof.

“(2) ROUNDING.—If any dollar amount after being increased under paragraph (1) is not a multiple of \$10, such dollar amount shall be rounded to the nearest multiple of \$10 (or, if such dollar amount is a multiple of \$5, such dollar amount shall be increased to the next higher multiple of \$10).”

(d) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall take effect on the date of the enactment of this Act.

(2) EXEMPT AMOUNTS.—The amendments made by subsection (c) shall take effect with respect to levies issued after December 31, 1992.

#### SEC. 503. OFFERS-IN-COMPROMISE.

(a) GENERAL RULE.—Subsection (a) of section 7122 (relating to compromises) is amended by adding at the end thereof the following new sentence: “The Secretary may make such a compromise in any case where the Secretary determines that such compromise would be in the best interests of the United States.”

(b) REVIEW REQUIREMENTS.—Subsection (b) of section 7122 (relating to records) is amended by striking “\$500.” and inserting “\$50,000. However, such compromise shall be subject to continuing quality review by the Secretary.”

(c) NONDISCLOSURE OF OFFERS-IN-COMPROMISE ON UNPAID TAX LIABILITIES UNDER \$50,000.—Paragraph (1) of section 6103(k) (relating to disclosure of certain returns and return information for tax administration purposes) is amended by adding at the end thereof the following new sentence: “The preceding sentence shall not apply to any accepted offer-in-compromise if the unpaid amount of such liability is less than \$50,000.”

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act.

#### SEC. 504. NOTIFICATION OF EXAMINATION.

(a) IN GENERAL.—Subsection (b) of section 7605 (relating to restrictions on examination of taxpayer) is amended by inserting “No examination described in subsection (a) shall be made unless the Secretary notifies the taxpayer in writing by mail to an address determined under section 6212(b) that the taxpayer is under examination and provides the taxpayer with an explanation of the process as described in section 7521(b)(1).” before “No taxpayer”.

(b) CONFORMING AMENDMENT.—Paragraph (1) of section 7521(b) (relating to safeguards) is amended by striking “or at”.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act.

#### SEC. 505. REMOVAL OF CERTAIN LIMITS ON RECOVERY OF CIVIL DAMAGES FOR UNAUTHORIZED COLLECTION ACTIONS.

(a) STANDARD OF CONDUCT.—Subsection (a) of section 7433 (relating to civil damages for certain unauthorized collection actions) is

amended by striking “recklessly or intentionally” and inserting “negligently”.

(b) DOLLAR LIMIT REMOVED.—Section 7433(b) (relating to damages) is amended by striking “the lesser of \$100,000 or”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to actions by officers or employees of the Internal Revenue Service after the date of the enactment of this Act.

#### SEC. 506. SAFEGUARDS RELATING TO DESIGNATED SUMMONS.

(a) STANDARD OF REVIEW.—Subparagraph (A) of section 6503(k)(2) (defining designated summons) is amended by striking “and” at the end of clause (i), by redesignating clause (ii) as clause (iii), and by inserting after clause (i) the following new clause:

“(ii) the determination of such tax before the expiration of such period cannot be made accurately as a result of the delay or other action by the taxpayer, and”.

(b) SPECIFIC REQUIREMENTS FOR ISSUANCE.—

(1) IN GENERAL.—Paragraph (1) of section 6503(k) (relating to extension in case of certain summonses) is amended by inserting “and the requirements of paragraphs (4) and (5) are met” after “corporation”.

(2) SPECIFIC REQUIREMENTS.—Section 6503(k) is amended by adding at the end thereof the following new paragraphs:

“(4) GENERAL REQUIREMENTS FOR ISSUANCE OF SUMMONS.—The requirements of this paragraph are met if—

“(A) the Secretary has not had at least 3 years to complete the assessment of the tax,

“(B) the taxpayer has refused to extend the period prescribed in section 6501 for such assessment for at least 2 years, or

“(C) with respect to information for which the Secretary has previously made a written request—

“(i) the person to be summoned had sufficient time to respond to such request before the issuance of the summons, and

“(ii) such person failed substantially to comply with such request.

“(5) NOTICE REQUIREMENTS.—The requirements of this paragraph are met if the Secretary notifies the person to be summoned of—

“(A) the Secretary's intent to issue a designated summons,

“(B) the reasons why such person failed substantially to comply with a previous written request for information, and

“(C) the person's right to an interview with the Secretary within 15 days of such notice.”

(c) PROCEEDING TO QUASH, ETC.—Section 6503(k), as amended by subsection (b), is further amended by adding at the end thereof the following new paragraph:

“(6) PROCEEDING TO QUASH, ETC.—

“(A) IN GENERAL.—Notwithstanding any other law or rule of law, any person to whom a designated summons is issued shall have the right to begin a proceeding to quash or modify the summons or to terminate the suspension under paragraph (1) not later than the 10th day after the day such summons was issued. In any such proceeding, the Secretary may seek to compel compliance with such summons.

“(B) JURISDICTION.—The United States district court for the district in which the person (to whom the designated summons is issued) resides or is found shall have jurisdiction to hear any proceeding brought under subparagraph (A). An order denying the petition shall be deemed a final order which may be appealed.”

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to summons

issued after the date of the enactment of this Act.

#### TITLE VI—INFORMATION RETURNS

##### SEC. 601. PHONE NUMBER OF PERSON PROVIDING PAYEE STATEMENTS REQUIRED TO BE SHOWN ON SUCH STATEMENT.

(a) GENERAL RULE.—The following provisions are each amended by striking “name and address” and inserting “name, address, and phone number of the information contact”:

(1) Section 6041(d)(1).

(2) Section 6041A(e)(1).

(3) Section 6042(c)(1).

(4) Section 6044(e)(1).

(5) Section 6045(b)(1).

(6) Section 6049(c)(1)(A).

(7) Section 6050B(b)(1).

(8) Section 6050H(d)(1).

(9) Section 6050I(e)(1).

(10) Section 6050J(e).

(11) Section 6050K(b)(1).

(12) Section 6050N(b)(1).

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to statements required to be furnished after December 31, 1992 (determined without regard to any extension).

##### SEC. 602. CIVIL DAMAGES FOR FRAUDULENT FILING OF INFORMATION RETURNS.

(a) GENERAL RULE.—Subchapter B of chapter 76 (relating to proceedings by taxpayers and third parties) is amended by redesignating section 7434 as section 7435 and by inserting after section 7433 the following new section:

##### “SEC. 7434. CIVIL DAMAGES FOR FRAUDULENT FILING OF INFORMATION RETURNS.

“(a) IN GENERAL.—If any person willfully files a false or fraudulent information return with respect to payments purported to be made to any other person, such other person may bring a civil action for damages against the person so filing such return.

“(b) DAMAGES.—In any action brought under subsection (a), upon a finding of liability on the part of the defendant, the defendant shall be liable to the plaintiff in an amount equal to the greater of \$5,000 or the sum of—

“(1) any actual damages sustained by the plaintiff as a proximate result of the filing of the false or fraudulent information return (including any costs attributable to resolving deficiencies asserted as a result of such filing), and

“(2) the costs of the action.

“(c) PERIOD FOR BRINGING ACTION.—Notwithstanding any other provision of law, an action to enforce the liability created under this section may be brought without regard to the amount in controversy and may be brought only within 6 years after the filing of the false or fraudulent information return.

“(d) INFORMATION RETURN.—For purposes of this section, the term ‘information return’ means any statement described in section 6724(d)(1)(A).”

(b) CLERICAL AMENDMENT.—The table of sections for subchapter B of chapter 76 is amended by striking the item relating to section 7434 and inserting the following:

“Sec. 7434. Civil damages for fraudulent filing of information returns.

“Sec. 7435. Cross references.”

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to false or fraudulent information returns filed after the date of the enactment of this Act.

##### SEC. 603. REQUIREMENT TO CONDUCT REASONABLE INVESTIGATIONS OF INFORMATION RETURNS.

(a) GENERAL RULE.—Section 6201 (relating to assessment authority) is amended by re-

designating subsection (d) as subsection (e) and by inserting after subsection (c) the following new subsection:

"(d) REQUIRED REASONABLE INVESTIGATION OF INFORMATION RETURNS.—If a taxpayer asserts a reasonable dispute with respect to any item of income reported on an information return filed with the Secretary under chapter 61 by a third party, the Secretary, when making a determination of a deficiency based on such information return, shall have the burden of proof with respect to such determination unless the Secretary has conducted a reasonable investigation to corroborate the accuracy of such information return."

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on the date of the enactment of this Act.

#### TITLE VII—MODIFICATIONS TO PENALTY FOR FAILURE TO COLLECT AND PAY OVER TAX

##### SEC. 701. TRUST FUND TAXES.

(a) IN GENERAL.—Section 6672 (relating to failure to collect and pay over tax, or attempt to evade or defeat tax) is amended by redesignating subsection (b) as subsection (c) and by inserting after subsection (a) the following new subsection:

"(b) PRELIMINARY NOTICE AND DECLARATORY JUDGMENT PROCEEDING.—

"(1) PRELIMINARY NOTICE.—No penalty shall be imposed under subsection (a) unless the Secretary notifies the taxpayer in writing by mail to an address as determined under section 6212(b) that the taxpayer shall be subject to an assessment of such penalty and provides the taxpayer with an explanation of the declaratory judgment process under paragraph (3).

"(2) TIMING OF NOTICE.—The mailing of the notice described in paragraph (1) shall precede any notice and demand of any penalty under subsection (a) by at least 60 days.

"(3) DECLARATORY JUDGMENT.—

"(A) IN GENERAL.—In a case of an actual controversy involving a determination by the Secretary with respect to the taxpayer's liability for the penalty imposed under subsection (a), upon the filing of an appropriate pleading, the Tax Court may make a declaration with respect to such liability. Any such declaration shall have the force and effect of a decision of the Tax Court and shall be reviewable as such.

"(B) EXHAUSTION OF ADMINISTRATIVE REMEDIES.—The Tax Court shall not issue a declaratory judgment or decree under this paragraph in any proceeding unless it determines that the petitioner has exhausted administrative remedies available to the petitioner within the Internal Revenue Service.

"(C) TIME FOR BRINGING ACTION.—No proceeding may be initiated under this paragraph by any person unless the pleading is filed before the 31st day after the day the notice under paragraph (1) is mailed to such person."

(b) CONFORMING AMENDMENTS.—Section 6672 is amended—

(1) by striking paragraphs (4) and (5) of subsection (c) (as redesignated by this section), and

(2) by adding at the end thereof the following new subsections:

"(e) SUSPENSION OF RUNNING OF PERIOD OF LIMITATIONS ON COLLECTION.—The running of the period of limitations provided in section 6502 on the collection by levy or by a proceeding in court in respect to any penalty under subsection (a) shall be suspended for the period during which the Secretary is prohibited from collecting the penalty by levy or a proceeding in court.

"(f) JEOPARDY COLLECTION.—If the Secretary makes a finding that the collection of the penalty is in jeopardy, nothing in this section shall prevent the immediate collection of such penalty."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply in the case of failures after the date of the enactment of this Act.

##### SEC. 702. DISCLOSURE OF CERTAIN INFORMATION WHERE MORE THAN 1 PERSON SUBJECT TO PENALTY.

(a) IN GENERAL.—Subsection (e) of section 6103 (relating to disclosure to persons having material interest), as amended by section 402, is amended by adding at the end thereof the following new paragraph:

"(9) DISCLOSURE OF CERTAIN INFORMATION WHERE MORE THAN 1 PERSON SUBJECT TO PENALTY UNDER SECTION 6672.—If the Secretary determines that a person is liable for a penalty under section 6672(a) with respect to any failure, upon request in writing of such person, the Secretary may disclose in writing to such person—

"(A) the name of any other person whom the Secretary has determined to be liable for such penalty with respect to such failure, and

"(B) whether the Secretary has attempted to collect such penalty from such other person, the general nature of such collection activities, and the amount collected."

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on the date of the enactment of this Act.

##### SEC. 703. NO PENALTY IF PROMPT NOTIFICATION OF THE SECRETARY.

(a) IN GENERAL.—Section 6672 (relating to failure to collect and pay over tax, or attempt to evade or defeat tax), as amended by section 701, is amended by adding at the end thereof the following new subsection:

"(d) PENALTY NOT APPLICABLE WHERE PROMPT NOTIFICATION OF FAILURE.—

"(1) IN GENERAL.—A person shall not be liable for any penalty under subsection (a) by reason of any failure referred to in subsection (a) if—

"(A) such person is not a significant owner of the trade or business with respect to which such failure occurred,

"(B) such person notifies the Secretary (in such manner as the Secretary may prescribe) that such failure has occurred within 10 days after the date of such failure, and

"(C) such notification was before any notice by the Secretary to any person with respect to such failure.

"(2) SIGNIFICANT OWNER DEFINED.—For purposes of paragraph (1), the term 'significant owner' means—

"(A) any person holding an interest as a proprietor in a trade or business carried on as a proprietorship, and

"(B) in the case of a trade or business conducted by a corporation or partnership, any person who is a 5-percent owner (as defined in section 416(1)(1)) in such corporation or partnership, as the case may be."

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply in the case of failures after the date of the enactment of this Act.

##### SEC. 704. PENALTIES UNDER SECTION 6672.

(a) PUBLIC INFORMATION REQUIREMENTS.—The Secretary of the Treasury or the Secretary's delegate (hereafter in this section referred to as the "Secretary") shall take such actions as may be appropriate to ensure that employees are aware of their responsibilities under the Federal tax depository system, the circumstances under which employees may be liable for the penalty im-

posed by section 6672 of the Internal Revenue Code of 1986, and the responsibility to promptly report to the Internal Revenue Service any failure referred to in subsection (a) of such section 6672. Such actions shall include—

(1) printing of a warning on deposit coupon booklets and the appropriate tax returns that certain employees may be liable for the penalty imposed by such section 6672, and

(2) the development of a special information packet.

(b) BOARD MEMBERS OF TAX-EXEMPT ORGANIZATIONS.—

(1) VOLUNTARY BOARD MEMBERS.—The penalty under section 6672 of the Internal Revenue Code of 1986 shall not be imposed on unpaid, volunteer members of any board of trustees or directors of an organization referred to in section 501 of such Code to the extent such members do not participate in the day-to-day or financial operations of the organization.

(2) DEVELOPMENT OF EXPLANATORY MATERIALS.—The Secretary shall develop materials explaining the circumstances under which board members of tax-exempt organizations (including voluntary members) may be subject to penalty under section 6672 of such Code. Such materials shall be made available to tax-exempt organizations.

(3) IRS INSTRUCTIONS.—The Secretary shall clarify the instructions to Internal Revenue Service employees on the application of the penalty under section 6672 of such Code with regard to voluntary members of boards of trustees or directors of tax-exempt organizations.

(c) PROMPT NOTIFICATION.—To the maximum extent practicable, the Secretary shall notify all persons who have failed to make timely and complete deposit of any taxes of such failure within 30 days after the date on which the Secretary is first aware of such failure.

#### TITLE VIII—AWARDING OF COSTS AND CERTAIN FEES

##### SEC. 801. DEFINITION OF PREVAILING PARTY.

(a) IN GENERAL.—Subparagraph (A) of section 7430(c)(4) (defining prevailing party) is amended to read as follows:

"(A) IN GENERAL.—The term 'prevailing party' means any party in any proceeding to which subsection (a) applies (other than the United States or any creditor of the taxpayer involved)—

"(i) which—

"(I) has substantially prevailed with respect to the amount in controversy, or

"(II) has substantially prevailed with respect to the most significant issue or set of issues presented, and

"(ii) which meets the requirements of the first sentence of section 2412(d)(1)(B) of title 28, United States Code (as in effect on October 22, 1986), except to the extent differing procedures are established by rule of any court and, which meets the requirements of section 2412(d)(2)(B) of such title 28 (as so in effect)."

(b) COSTS DENIED WHERE POSITION OF UNITED STATES IS SUBSTANTIALLY JUSTIFIED.—Subsection (b) of section 7430 (relating to limitations) is amended by adding at the end thereof the following new paragraph:

"(5) COSTS DENIED WHERE POSITION OF UNITED STATES IS SUBSTANTIALLY JUSTIFIED.—No award for reasonable litigation and administrative costs may be made under subsection (a) if the position of United States is substantially justified."

##### SEC. 802. COMMENCEMENT DATE OF REASONABLE ADMINISTRATIVE COSTS.

(a) IN GENERAL.—The second sentence of section 7430(c)(2) (defining reasonable admin-



istrative costs) is amended to read as follows:

"Such term shall only include costs incurred on or after the earlier of (i) the date of the notice of proposed deficiency under section 6211A or similar notice of assessment or proposed assessment, or (ii) the date of the notice of deficiency."

(b) CONFORMING AMENDMENT.—Clause (i) of section 7430(c)(7)(B) (defining position of United States) is amended to read as follows:

"(i) the date of the notice of proposed deficiency under section 6211A or similar notice of assessment or proposed assessment, or"

#### SEC. 803. INCREASED LIMIT ON ATTORNEY FEES.

Paragraph (1) of section 7430(c) (defining reasonable litigation costs) is amended by striking clause (iii) and inserting the following:

"(iii) reasonable fees paid or incurred for the services of attorneys in connection with the court proceeding, except that such fees shall not be in excess of \$150 per hour unless the court determines that a special factor, such as the limited availability of qualified attorneys for such proceeding, justifies a higher rate."

In the case of any calendar year beginning after 1993, the dollar amount referred to in clause (iii) shall be increased by an amount equal to such dollar amount, multiplied by the cost-of-living adjustment determined under section 1(f)(3), for such calendar year, by substituting "calendar year 1992" for "calendar year 1989" in subparagraph (B) thereof. If any dollar amount after being increased under the preceding sentence is not a multiple of \$10, such dollar amount shall be rounded to the nearest multiple of \$10 (or, if such dollar amount is a multiple of \$5, such dollar amount shall be increased to the next higher multiple of \$10)."

#### SEC. 804. FAILURE TO AGREE TO EXTENSION NOT TAKEN INTO ACCOUNT.

Paragraph (1) of section 7430(b) (relating to requirement that administrative remedies be exhausted) is amended by adding at the end thereof the following new sentence: "Any failure to agree to an extension of the time for the assessment of any tax shall not be taken into account for purposes of determining whether the prevailing party meets the requirements of the preceding sentence."

#### SEC. 805. EFFECTIVE DATE.

The amendments made by this title shall apply in the case of notices made and proceedings commenced after the date of the enactment of this Act.

### TITLE IX—OTHER PROVISIONS

#### SEC. 901. REQUIRED CONTENT OF CERTAIN NOTICES.

(a) GENERAL RULE.—Subsection (a) of section 7522 (relating to content of tax due, deficiency, and other notices) is amended by striking "shall describe the basis for, and identify" and inserting "shall set forth the adjustments which are the basis for, and shall identify".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to notices sent after the date 6 months after the date of the enactment of this Act.

#### SEC. 902. PROTECTION FOR TAXPAYERS WHO RELY ON CERTAIN GUIDANCE OF THE INTERNAL REVENUE SERVICE.

(a) IN GENERAL.—Section 7805 (relating to rules and regulations) is amended by adding at the end thereof the following new subsection:

"(g) PROTECTION FOR TAXPAYERS WHO RELY ON CERTAIN GUIDANCE.—If a taxpayer other than a corporation takes any position or other action in reasonable reliance on guid-

ance published by the Secretary in a press release, information release, or Revenue Ruling, such position or other action taken by such taxpayer shall be treated as consistent with the provision to which such guidance relates. Any subsequent guidance published by the Secretary in any form shall not have the effect of treating such position or other action as being inconsistent with such provision for the period before the date the subsequent guidance is published."

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply in cases where the initial guidance is published after the date of the enactment of this Act.

#### SEC. 903. RELIEF FROM RETROACTIVE APPLICATION OF TREASURY DEPARTMENT REGULATIONS.

(a) IN GENERAL.—Subsection (b) of section 7805 (relating to rules and regulations) is amended to read as follows:

"(b) RETROACTIVITY OF REGULATIONS.—

"(1) IN GENERAL.—Any final, temporary, or proposed regulation issued by the Secretary shall apply prospectively from the date of publication of such regulation in the Federal Register."

"(2) CONGRESSIONAL AUTHORIZATION.—The prospective only treatment of paragraph (1) may be superseded by a specific legislative grant from Congress authorizing the Secretary to prescribe the effective date with respect to a statutory provision."

(b) EFFECTIVE DATE.—The amendment made by this section shall apply with respect to any temporary or proposed regulation published as a final regulation after February 20, 1992.

#### SEC. 904. REQUIRED NOTICE OF CERTAIN PAYMENTS.

If any payment is received by the Secretary of the Treasury or the Secretary's delegate (hereafter in the section referred to as the "Secretary") from any taxpayer and the Secretary cannot associate such payment with any outstanding tax liability of such taxpayer, the Secretary shall make reasonable efforts to notify the taxpayer of such inability within 60 days after the receipt of such payment.

#### SEC. 905. CERTAIN COSTS OF PREPARING TAX RETURNS FULLY DEDUCTIBLE.

(a) IN GENERAL.—Subsection (b) of section 67 (relating to 2-percent floor on miscellaneous itemized items) is amended—

(1) by striking "and" at the end of paragraph (12),

(2) by striking the period at the end of paragraph (13) and inserting ", and", and

(3) by adding at the end thereof the following new paragraph:

"(14) any deduction allowable for tax return preparation expenses."

(b) TAX RETURN PREPARATION EXPENSES.—Section 67 is amended by adding at the end thereof the following new subsection:

"(f) TAX RETURN PREPARATION EXPENSES.—For purposes of this section, the term 'tax return preparation expenses' means expenses—

"(1) paid or incurred and allocated to the preparation of the taxpayer's return with respect to the income and expenses of an unincorporated trade or business or farm, and

"(2) with respect to which a deduction is allowable under section 162 (determined without regard to this section)."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

### TAXPAYER BILL OF RIGHTS 2 (T2)

#### TITLE I—TAXPAYER ADVOCATE

#### Sec. 101. Establishment of Position of Taxpayer Advocate within Internal Revenue Service.

ice.—The Office of the Taxpayer Ombudsman was statutorily created in 1987 in the Omnibus Taxpayer Bill of Rights. The Ombudsman is presently hired by and reports directly to the IRS Commissioner.

T2 will replace the Ombudsman with the new Office of Taxpayer Advocate. The Taxpayer Advocate will be appointed by the President and confirmed by the Senate. This will allow the Taxpayer Advocate to play a more independent role in actively protecting taxpayer rights. The Taxpayer Advocate will also have expanded authority as provided in section 102 and 103 below.

T2 will require the Taxpayer Advocate to provide the Committee on Ways and Means of the U.S. House of Representatives and the Committee on Finance of the U.S. Senate the following annual reports:

1. Initiatives the Taxpayer Advocate has taken on improving taxpayer services and IRS responsiveness.

2. Problem Resolution Officers (PROs) recommendations flowing from the field.

3. A summary of at least 20 problems encountered by taxpayers, including a description of the nature of their problems.

4. Inventory of items in 1, 2, and 3 for which action has been taken and completed and the result of the action.

5. Inventory of items in 1, 2, and 3 for which action remains to be completed and the date each item was first identified.

6. Inventory of items in 1, 2, and 3 for which no action has been taken along with the period each item has remained on the inventory, the reasons for no action, and the IRS official responsible for implementing action.

7. Identification of any Taxpayer Assistance Order which was not honored by the IRS within 3 days and the reason(s) for delay.

8. Any recommendations for administrative and legislative action as may be appropriate to resolve problems encountered by taxpayers.

9. Any information the Taxpayer Advocate deems advisable.

In addition, the Taxpayer Advocate must furnish to the tax writing committees its annual objectives, not later than October 31 of each calendar year after 1991.

All reports should contain full and substantive analysis, in addition to statistical information.

Presently, the Office of the Taxpayer Ombudsman carries out its duties and responsibilities in the local field offices through the PRO. However, PROs are hired, supervised, reviewed, and promoted by the local IRS District Director, not the ombudsman.

T2 will provide that the PRO will report directly to the Office of Taxpayer Advocate.

Sec. 102. Expansion of Authority of the Taxpayer Advocate to Issue Taxpayer Assistance Orders.—Under current law, section 7811(a) authorizes the Taxpayer Ombudsman to issue a Taxpayer Assistance Order (TAO) if, in the determination of the Ombudsman, the taxpayer is suffering or about to suffer a "significant hardship" as a result of the manner in which the tax laws are being administered by the Secretary.

T2 eliminates the qualifier of "significant" from section 7811 to allow PROs to assist taxpayers in avoiding hardship before it occurs because the standard of "significant hardship" presupposes that a taxpayer must bear some degree of hardship before any relief can be afforded.

Currently under section 7811(b), a TAO allows a PRO to "cease any IRS action" with respect to a taxpayer. However, section

7811(b) does not allow the terms of a TAO to authorize affirmative steps to help a taxpayer.

T2 will authorize the terms of a TAO to "cease any action, take any action" with respect to a taxpayer, and therefore, allow a TAO to both stop IRS action and to take affirmative steps with respect to a taxpayer. For example, the Taxpayer Advocate's new scope of power will specifically include, but not be limited to, the authority to (1) abate assessments, (2) grant refund requests, and (3) stay collection activity. The Taxpayer Advocate will have the power to grant authority to his or her designees (i.e., the Problems Resolution Officers).

Current law provides that a TAO may be modified or rescinded by the Ombudsman, a district director, a service center director, a compliance center director, a regional director of appeals, or any superior of such person.

T2 provides that a TAO may be modified or rescinded only by the Taxpayer Advocate and/or the IRS Commissioner.

#### TITLE II—MODIFICATIONS TO INSTALLMENT AGREEMENT PROVISIONS

Sec. 201. *Taxpayer's Right to Installment Agreement.*—T2 will provide that an individual taxpayer has an automatic right to an installment agreement if the taxpayer has not been delinquent in the previous 3 years and the liability is under \$10,000. This provision is limited to individual taxpayers.

Sec. 202. *Notification of Reasons for Termination of Installment Agreements.*—Section 6159(b)(3) presently requires the IRS to give the taxpayer a 30-day notice before terminating an installment agreement, if it is determined that the financial condition of the taxpayer has significantly changed. However, no notice is required if the taxpayer defaults for any other reason. In these cases, the IRS may unilaterally terminate the installment agreement with no notice to the taxpayer.

T2 will require the IRS to provide a taxpayer with a 30-day notice before terminating an installment agreement for any reasons except when the collection of the tax is determined to be in jeopardy. In addition, T2 will require the notice to include the reason(s) why the IRS considers the installment agreement to be in default.

Sec. 203. *Administrative Review of Termination or Denial of Request for Installment Agreement.*—Under present law, a taxpayer has no right to an independent review of a termination or denial of his request for an installment agreement.

T2 will require the IRS to establish procedures for an independent administrative review of a termination or denial of a request, for an installment agreement. T2 will also require the IRS to provide a written response to a taxpayer who requested an installment agreement. The written response must state the decision of the IRS and the basis for such decision. Finally, T2 will require the IRS to include in the instructions for filing Federal income tax returns the rules and procedures for requesting installment agreements.

Sec. 204. *Running of Failure to Pay Penalty Suspended During Period Installment Agreement in Effect.*—Under present law, a taxpayer is subject to "failure to pay" penalties even though he or she has agreed to pay his or her tax liability with interest by entering into an installment agreement.

T2 will amend section 6651 to prevent the IRS from imposing the "failure to pay" penalty on taxpayers during the period in which the installment agreement is in effect.

#### TITLE III—INTEREST

Sec. 301. *Expansion of Authority to Abate Interest.*—Section 6404(e)(1) (Assessment of interest attributable to errors and delays by the IRS) provides "the Secretary may abate" interest on "any deficiency in whole or in part [due to] any error or delay by an officer or employee of the IRS (acting in his official capacity) in performing a ministerial act".

The ministerial act requirement too narrowly limits the possibility of relief to the taxpayer with the result that the IRS will not abate interest even if it is the IRS' fault. Further, IRS rejection of a taxpayer request to abate interest cannot be reviewed because section 6404(e)(1) provides no guidance for courts as to the appropriate judicial review standard.

T2 will provide that the Secretary must abate or refund interest attributable to unreasonable IRS errors and delays. The ministerial act limitation will be deleted from the statute, and courts will use "unreasonable error or delay" as the appropriate standard of review.

Sec. 302. *Extension of Interest-Free Period for Payment of Tax After Notice and Demand.*—When the IRS sends a first notice requesting payment to a taxpayer, section 6601(e) provides a 10-day interest-free period from the date of the notice. The 10-day requirement is virtually impossible to meet given delivery time to and from the taxpayer who is attempting to timely remit payment.

T2 will extend taxpayers' interest-free period for payment of the tax liability reflected in the first notice from 10 days to 21 days, when the total tax liability on the notice of deficiency is less than \$100,000.

Sec. 303. *Equalization of Interest Rates.*—Section 6621 provides that the government pays to the taxpayer interest on overpayments at the rate of 2 percentage points over the Federal short-term rate. However, the taxpayer pays to the government interest on underpayments at the rate of 3 percentage points over the Federal short-term rate.

T2 will eliminate the interest differential between the interest rate the taxpayer pays the government on underpayments and the interest rate the IRS pays the taxpayer on overpayments. This is done by increasing the interest rate the government pays on overpayments.

#### TITLE IV—JOINT RETURNS

Sec. 401. *Requirement of Separate Deficiency Notices in Certain Cases.*—Section 6212 requires that, in the case of a joint tax return, a notice of deficiency may be a single joint notice except if the IRS has been notified that separate residences have been established. Many taxpayers are not aware of the need to notify the IRS of a change in residence. As a result, many taxpayers receive no notice of a possible tax deficiency until the case has been sent to the Collection Division for enforcement action and the opportunity for administration appeal has expired.

T2 will require the IRS to send a duplicate original of the joint notice by certified mail or registered mail to the address of the most recent taxable year for which the IRS has data on such spouses who do not file a joint return.

Sec. 402. *Disclosure of Collection Activities.*—Present law does not allow the IRS to inform either spouse as to the efforts of the IRS to collect the tax liability from the other spouse.

T2 will require that, if either spouse or former spouse makes a written request, the IRS must disclose in writing whether the IRS has attempted to collect the deficiency

from his or her spouse or former spouse, the general nature of such collection activities, and the amount collected.

Sec. 403. *Joint Return May Be Made After Separate Returns Without Full Payment of Tax.*—Under section 6013(b)(2), taxpayers, who file separate returns and subsequently determine that their tax liability would have been less if they had filed a joint return, may not reduce their tax liability by filing jointly unless they are able to pay the entire amount of the joint return liability before the expiration of the 3-year period for making the election.

T2 will repeal the provision requiring full payment of the tax liability as a precondition to taxpayers switching from married filing separately status to married filing jointly status.

Sec. 404. *Acknowledgment of Absent Divorced or Separated Spouse to be Represented by Other Spouse.*—In the case of divorced or separated spouses, T2 will require the absent spouse's signature to acknowledge whether the other spouse, may or may not, represent the absent spouse in an audit situation. No such acknowledgment is required under current law.

#### TITLE V—COLLECTION ACTIVITIES

Sec. 501. *Notice of Proposed Deficiency.*—Current law does not provide for any notice of proposed deficiency, however, the IRS does issue these type notices on its own initiative (e.g., a 30-day letter).

T2 will require that the IRS issue a notice of proposed deficiency at least 60 days before any final notice of deficiency under section 6212, thereby permitting administrative appeal rights. If there are less than six months left on the statute of limitations, then the taxpayer shall have the option to extend the statute of limitations so that the IRS can issue a notice of proposed deficiency. The notice requirement will not apply in jeopardy assessment situations.

Sec. 502. *Modifications to Lien and Levy Provisions.*—A Notice of tax lien provides public notice that a taxpayer owes the government money. Section 6326(b) requires the IRS to issue a Certificate of Release for such notices for erroneous liens only. This extremely narrow language prevents the IRS from issuing the Release on premature or incorrectly filed liens.

T2 will give discretion to the IRS to remove such liens without prejudice when (1) the filing of the notice was premature or not in accordance with administrative procedures of the IRS; (2) the taxpayer has entered into an installment agreement for the payment of the tax liability with respect to the tax on which the lien is imposed; (3) the withdrawal of the lien will facilitate the collection of the tax liability; or (4) the withdrawal of the lien would be in the best interest of the taxpayer and the United States (with the best interests of the taxpayer to be determined by the Taxpayer Advocate).

T2 will require that, upon written request by the taxpayer in the 4 cases cited above, the IRS shall make prompt efforts to notify the credit reporting agencies specified that the notice has been withdrawn. T2 will also require the IRS to return levied-upon property to the taxpayer in the 4 above cited cases.

T2 will raise the levy exemption amounts of \$1500 for personal property and of \$1100 for equipment and property for a trade, business, or profession, which were set in 1990, to the present indexed amounts.

Sec. 503. *Offers-in-Compromise.*—Section 7122 provides that the IRS may settle a tax debt pursuant to an offer-in-compromise.



Amounts over \$500 can be accepted only if the reasons for the acceptance are documented in detail and supported by an opinion of the IRS Chief Counsel. Further, section 6103(k) requires public disclosure of the names of taxpayers whose tax debts are compromised, as well as the amount owed and the amount accepted by the Government. These burdensome requirements result in the IRS not pursuing the offer-in-compromise route in settling even small tax disputes.

T2 will provide that, in cases where the unpaid tax assessment is less than \$50,000, the opinion of the IRS Chief Counsel is not required. However, the IRS shall subject these offers-in-compromise to an IRS quality review. Further, T2 will amend 6103(k) to provide that in cases where the unpaid tax assessment is less than \$50,000, the offer-in-compromise will not be subject to public disclosure.

**Sec. 504. Notification of Examination.**—Presently, in many cases, the IRS is approaching taxpayers, requesting books and records, but not notifying taxpayers of examination. If the taxpayer is contacted and the agent requests to review the taxpayer's books and records, a written notice, followed by an examination report, should be required.

T2 will amend section 7605 to require that the IRS give the taxpayer written notice that the taxpayer is under examination. The notice will be required for examinations under all sub-titles of the Code. Such notice will include an explanation of the process as described in section 7521 (explanation of examination process, right to be represented by an attorney, certified public accountant, etc.).

**Sec. 505. Removal of Limits on Recovery of Civil Damage.**—Section 7433 caps civil damage awards for unauthorized collections actions against the IRS at \$100,000. Section 7433 also limits recovery to "reckless and intentional" actions of the IRS.

T2 will remove the \$100,000 cap and include recovery for "negligent" action by the IRS.

**Sec. 506. Designated Summons.**—Section 6503(k) permits the IRS to issue a "designated summons" directing the production of documents or other information in connection with the audit of a corporate taxpayer. There is no requirement that the IRS notify the taxpayer that a designated summons is about to be issued. Under present law, the IRS may issue a designated summons with just 60 days remaining on the statute of limitations, and if the taxpayer does not comply fully with the summons in a relatively short period of time, then the IRS can suspend the statute of limitations by seeking judicial enforcement of that summons.

While there may be situations where the use of a designated summons late in the audit process may be appropriate, nonetheless the IRS should not be allowed to surprise taxpayers who reasonably and in good faith believed that the statute of limitations was soon going to expire. Section 6503(k) provides the IRS with an extraordinary compliance tool, and fairness requires that taxpayers be warned when IRS intends to utilize it.

T2 will provide a standard of review for issuance of a designated summons such that the designated summons may only be used where the deficiency cannot be assessed accurately before the expiration of the otherwise applicable statute of limitations period, because of delay or other actions by the taxpayer.

Specifically, T2 will provide that the statute of limitations will be extended by a des-

ignated summons only (a) if the IRS has not had at least three years to complete the audit; (b) if the taxpayer has refused to extend the statute for at least 2 years; or with respect to information for which (i) the IRS had previously made a written request; (ii) the person to be summoned had sufficient time to respond to the previous written information request before the date on which the designated summons was issued; and (iii) the person to be summoned failed substantially to comply with the information request.

T2 will require the IRS to give written notice of intent to issue a designated summons. Such notice must include the reasons why prior responses were inadequate and allow the taxpayer the right to conference with the Secretary's designee within 15 days of such notice.

T2 will provide that, within 10 days of receiving the designated summons, the taxpayer may file a petition in the District Court seeking to quash or modify the summons, or seeking a court determination that the statute of limitations shall not be suspended.

#### TITLE VI—INFORMATION RETURNS

**Sec. 601. Phone Number of Person Providing Payee Statements Required to be Shown on Such Statement.**—Taxpayers frequently need to contact payors issuing information returns in order to resolve disputes. Presently, information returns (e.g., W-2s, 1099s, etc.) require only the name and address of the payor.

T2 will require the payor to also provide the phone number of the payor's information contact.

**Sec. 602. Civil Damages for Fraudulent Filing of Information Returns.**—Some taxpayers have suffered significant personal loss and inconvenience as the result of the IRS receiving fraudulent information returns. These false returns have been filed by payors whose intent is to defraud the IRS or to harass taxpayers.

T2 will provide that, if any person files a false or fraudulent information return with respect to payments made to another person, such person may bring a civil action for damages against the person filing such return. Further, T2 will provide that damage awards in such cases be at least \$5000, and that the plaintiff must bring action within 6 years from the time the fraudulent return was filed with the IRS.

**Sec. 603. Requirement to Conduct a Reasonable Investigation of Information Returns.**—Section 6212(a) authorizes the IRS to determine tax deficiencies. The term "determine" is not defined in the Code, and until recently, courts have declined to inquire whether or not, and how, the IRS made its determination. Further, courts have begun to chip away at the long-standing presumption of correctness afforded deficiency notices.

T2 will amend section 6212(a) to provide that a "determination" must be "a thoughtful and considered determination that the United States is entitled to an amount not yet paid." *Portillo v. Commissioner*, 832 F. 2d 1128 (5th Circuit 1991). If the IRS fails to make a thoughtful and considered determination, then the notice of deficiency will be invalid.

T2 will provide that where the taxpayer asserts a reasonable dispute with respect to any item of income reported to the IRS on an information return, the IRS, not the taxpayer, will bear the burden of proof in any deficiency or refund proceeding absent a showing that the IRS conducted a reasonable

investigation of the facts surrounding the taxpayer's return.

#### TITLE VII—MODIFICATIONS TO PENALTY FOR FAILURE TO COLLECT AND PAY OVER TAX

**Sec. 701. Trust Fund Taxes.**—Section 6672 imposes personal liability on those persons who are required to collect employment taxes ("responsible officers") and who willfully fail to pay over these taxes to the IRS. The Code additionally provides for a 100% penalty on responsible officers failing to pay over such taxes. Taxpayers who may be responsible persons are assessed the taxes owed and the penalty without the right to an administrative review.

T2 will require the IRS to issue a preliminary notice which will give the taxpayer the right to an administrative appeals hearing. In addition, T2 would provide taxpayers the right to go to Tax Court prior to assessment (via a declaratory judgment procedure similar to section 7476).

**Sec. 702. Disclosure of Certain Information Where More Than One Person Subject to Penalty.**—The IRS may recover more than the amount owed under section 6672 (since each responsible person is jointly and severally liable). There is no procedure to ensure that the IRS does not collect more than 100% of what is owed.

T2 will require that a person liable for a section 6672 penalty may request, in writing, that the IRS disclose any other person who is liable for such penalty along with general nature of the IRS' collection activities.

**Sec. 703. No Penalty if Prompt Notification of the Secretary.**—T2 will excuse from the 100% penalty any person who notifies the IRS of a failure of a business to pay over taxes within thirty days of the date on which the taxes were due. This relief will not be available to individuals who are significant owners of the business or persons directly responsible for the decision not to pay over the taxes due.

**Sec. 704. Penalties Under Section 6672.**—Under current law, unpaid, volunteers, who serve on boards of tax-exempt organizations, may be held liable for the 100% penalty depending on the duties and roles of the individual involved.

T2 provides that the 100% penalty will not be imposed on unpaid, volunteer members of any board of trustees or directors of a tax-exempt organization.

T2 will also require the IRS to develop materials to better inform employees and volunteers of their responsibilities under the law.

#### TITLE VIII—AWARDING OF COSTS AND CERTAIN FEES

**Sec. 801 through 803. Recovery of Administrative Costs.**—IRC section 7430 presently provides for the recovery of administrative costs incurred on or after the earlier of the receipt of the final decision of Appeals or the statutory notice of deficiency. Because, generally, no administrative costs are incurred after this period (except where the taxpayer pays the full amount of tax and files a claim for refund), the statutory provision is ineffective. In addition, the burden is on the taxpayer to show that the position of the IRS was not "substantially justified".

T2 will amend section 7430 to provide that any person who substantially prevails in an administrative proceeding can recover reasonable administrative costs, but only if such costs were incurred after the earlier of: (1) the date of the first notice of proposed deficiency that allows the taxpayer an opportunity for administrative review in the IRS Office of Appeals, or (2) the date of the statutory notice of deficiency. In addition, if the

notices above are not applicable (i.e., a non-deficiency proceeding, trust fund taxes, etc.), then costs run from the first notice that notified the taxpayer of the assessment or the proposed assessment. No such costs will be recoverable if the government can show that its position was substantially justified.

T2 will also amend section 7430 to provide that reasonable fees incurred for the services of qualified taxpayer representatives shall not be in excess of \$150 per hour (currently \$75 per hour), and the amount shall be indexed to inflation.

#### TITLE IX—OTHER PROVISIONS

Sec. 901. *Required Content of Notices.*—Section 7522 (Content of tax due, deficiency, and other notices.) requires the IRS to clarify certain notices by January 1, 1990, by identifying and describing the basis for any tax due, as well as any interest and penalties assessed. However, the IRS is not required to separately set forth, in the notice, the components and explanation for each adjustment.

T2 will amend section 7522 to require that the IRS set forth the components and explanation for each specific adjustment which is the basis for the total tax deficiency.

Sec. 902. *Protection for Taxpayers Who Rely on Certain Guidance of the Internal Revenue Service.*—T2 will amend section 7805 to provide that if a taxpayer takes any position or other action in reasonable reliance on initial guidance published by the IRS (in the form of press releases, information releases, or revenue rulings), any later position by the IRS which is inconsistent with the earlier guidance would not apply to the detriment of the taxpayer.

Sec. 903. *Relief From Retroactive Application of Treasury Department Regulations and Rulings.*—T2 will generally require that all regulations issued by the Treasury Department to implement broad legislative guidelines be effective prospectively from the date of issuance in final, temporary, or proposed form. To keep such a presumption from providing shelter for abusive transactions, and to provide for administration of tax laws in the interim between the effective date of a statute and the effective date of the associated regulations, taxpayers would be deemed to have satisfied the necessary requirements if they made a good-faith effort to utilize a reasonable interpretation of the statute that resulted in substantial compliance. This general rule requiring that regulations be prospective could be superseded by a specific legislative grant authorizing the Treasury Department to prescribe the effective date of regulations with respect to statutory provisions.

Sec. 904. *Required Notice of Certain Payments.*—T2 will provide that, if the IRS receives a payment from a taxpayer and cannot associate that payment with any outstanding tax liability, then the IRS must make reasonable efforts to notify the taxpayer of such inability within 60 days after receipt of such payment.

Sec. 905. *Certain Costs of Preparing Tax Returns Fully Deductible.*—T2 will provide that fees incurred with respect to the preparation of "Schedule C" (Unincorporated Trade or Business), or "Schedule F" (Farm Income and Expenses) will be allowed as an ordinary and necessary business expense. Thus, such fees will not be subject to the two-percent floor applicable to miscellaneous itemized deductions. As a result, unincorporated taxpayers or farmers will not be at a disadvantage compared to incorporated businesses that incur tax preparation fees. The IRS has taken the position that such expenses are subject to the two-percent floor.

Mr. REID. Mr. President, I rise today for the purpose of bringing to the attention of my colleagues an issue that is important to me, important to people in the State of Nevada, and important to the taxpayers across this country.

That issue is the taxpayer bill of rights 2, or, as we will come to know it, "T2." Mr. President, today my colleague, the junior Senator from the State of Arkansas, a member of the Finance Committee, Mr. PRYOR, will introduce the taxpayer bill of rights 2.

My experience with the sometimes abusive practices of the Internal Revenue Service goes back before the days when I was elected to Congress. During the time that I practiced law in the State of Nevada I had a number of people that came to me who were concerned about how they were treated by the Internal Revenue Service. In fact, their concern related to the fact that they, being card dealers, roulette dealers, people who worked in the gaming industry, were people who had acknowledged the fact that they owed the Internal Revenue Service money. The reason they owed them money was based on the fact that Federal courts determined that gratuities or tips had to be included in their gross income. As a result, there were arrangements made with these dealers and the Internal Revenue Service as to how moneys were to be paid back.

After these arrangements were made, the Internal Revenue Service reneged on their arrangement. They would say, "Well, it is true we agreed you could pay it back at the rate of \$500 a month, but what has happened in the meantime is that there is a new revenue agent and, as a result, you are going to have to pay the money back at \$570 a month," or some other figure.

These installment agreements made with the IRS were simply negated. The complaints that these dealers had with the Internal Revenue Service were many. And I have only given one example.

Mr. President, these complaints did not stop when I was elected to the House of Representatives. As a result I introduced the taxpayer bill of rights in that body during the 99th Congress. Unfortunately, the House was not interested in moving my bill. The member who led the Subcommittee on Ways and Means did not see the merits of the legislation.

The day I introduced that legislation in the House, I appeared on the Charlie Rose show, a program called "Nightwatch," that aired between 2 and 5 o'clock in the morning. I, frankly, did not know how many people would watch that program. But the fact is, there were people who watched the program, a lot of them. The next day when I came to work, the phone would not stop ringing. Telegrams came in by the bagful and the mail

came in later. What I discovered in their letters, telegrams, and other communications, was that the problems in Nevada with Nevada citizens was not a Nevada problem but, in fact, Mr. President, was a problem we had all over this country. There were problems all over these United States, dealing with how the Internal Revenue Service had treated taxpayers. And they were not pleasant stories.

Nevertheless, I could not move this bill in the House of Representatives, but I didn't give up.

The first speech I gave on the House floor, my so-called maiden speech, related to the taxpayer bill of rights. Coincidentally, the Presiding Officer that day was DAVID PRYOR, the junior Senator from the State of Arkansas. Senator PRYOR sent a note to me after I finished my speech, saying I am interested in this, you have a good idea, let us work on it together.

Later that day I heard from Senator GRASSLEY, of the State of Iowa, who indicated to me that he, too, was interested in the measure.

Senator PRYOR was the subcommittee chairman in the Finance Committee having oversight over the Internal Revenue Service. As a result of his position, he was able to move the taxpayer bill of rights, and move it he did. In his own words, Senator PRYOR described that he had developed a passion for the taxpayer bill of rights. His hearings developed so many abusive stories that it became something extremely important to him.

As a result of the very, very good work of Senator PRYOR and Senator GRASSLEY, this legislation was moved through the Senate, the House, and became law. I will be forever indebted to Senator PRYOR for his ability, and his passion for this legislation. Because, but for Senator PRYOR, this legislation could not have moved. I wrote it but he was the moving force behind this legislation on the Senate floor. As I indicated I am grateful to him for that.

The provisions in the original taxpayer bill of rights are important. It instructs the Internal Revenue Service to prepare a statement of taxpayers' rights. So now when a taxpayer has a problem he or she knows what his or her rights might be.

The taxpayer bill of rights grants statutory authority to the ombudsman to issue taxpayer assistance orders if the taxpayer will suffer significant hardship as a result of the way the tax laws are being administered.

It sets out rules for conducting taxpayer audit interviews.

It authorizes the IRS to enter into a written installment payment agreement with the taxpayer and sets criteria for terminating that agreement.

This is one of the big problems that the taxpayers had with the tax collecting agencies of this country, and this is now no longer the case.



The taxpayer bill of rights also prohibit the use of tax enforcement results to evaluate collection employees or to impose production quotas or goals.

The hearings on the taxpayer bill of rights indicated that certain IRS employees were promoted as a result of how much money they could collect. In fact, one taxpayer in the State of California indicated that on their window in the Los Angeles IRS office, they had different things written as to how much money they could collect; little slogans to collect more money. This is no longer permissible.

The taxpayer bill of rights requires financial institutions to hold accounts garnished by the IRS for 21 days after receiving the notice of levy rather than sending the money right out.

The taxpayer bill of rights has made great strides on behalf of taxpayers' rights, understanding, and underscoring, Mr. President, that there is no one who has been involved in this legislation who does not want the Federal Government to collect moneys that are due and owing. What we do not want is the Internal Revenue Service to be abusive and mean spirited in collecting money they are not entitled to. That is what the taxpayer bill of rights is set up to protect.

Mr. President, the taxpayer bill of rights No. 2 will take the next step in providing safeguards to the taxpayer. Among other things it will replace the office of taxpayer ombudsman with the new office of taxpayer advocate and allows this person a more independent role in protecting taxpayers' rights. Most importantly, taxpayer bill of rights No. 2 will make the problems resolution officer—the Internal Revenue Service person out in the field that handles taxpayers' complaints—accountable to the taxpayer advocate rather than local IRS district director.

As the situation exists now, the PRO is hired, supervised, reviewed and promoted by the local director. This bill provides that the PRO is accountable to the taxpayer advocate, an individual appointed by the President and confirmed by the Senate. There is little doubt that the taxpayer would have a more sympathetic ear at the IRS if this were the situation.

An additional provision relating to the taxpayer advocate gives more strength to the Taxpayer Assistance Order Program. Taxpayer assistance orders [TAO] were established in the first taxpayer bill of rights to assist taxpayers who would suffer hardship as a result of IRS actions. However, taxpayer assistance orders may be modified or rescinded by the ombudsman, a district director, a compliance center director, or virtually anyone at that level of authority or above. T2 provides that only a taxpayer advocate and/or the IRS Commissioner may modify or rescind a taxpayer assistance order.

T2 will also protect the taxpayers with respect to the interest rate dif-

ferential between the rate the taxpayer must pay the Government on underpayments and the interest rate the IRS pays the taxpayer on overpayments. The Government will now pay the same amount to taxpayers that taxpayers must pay to them.

Mr. President, I have touched on only a very few of the provisions in the bill. There are many more and I urge my colleagues to take a close look at them. This legislation will protect our constituents against the sometimes abusive practices of the IRS. If you want to support a bill that will really have an effect in your States—then this is the legislation you should co-sponsor.

Mr. BOREN. Mr. President, I am delighted to join with my colleague from Arkansas, Mr. PRYOR, in introducing the taxpayer bill of rights 2. This legislation is the next step, after the first bill of rights that we passed in 1988, in ensuring that the IRS meets higher standards of accuracy, promptness and respect for due process in providing taxpayer service.

The time is right for this legislation. First, as we near the April 15 filing deadline for Federal tax returns, we necessarily focus on the protections in the system for the taxpayers against mistakes by the Service. And mistakes are inevitable. Over 120,000 IRS employees process more than 100 million tax returns and collect more than \$1 trillion every year. We cannot expect such a gigantic undertaking to be carried out perfectly. Our obligation is to guarantee that the taxpayer who is the victim of an IRS mistake can correct that error through a fair and speedy process.

Second, we are in the midst of considering tax legislation designed in part to enhance the fairness of the system. It has become increasingly apparent that the middle-income taxpayer has not received the same tax benefits over the last few years as the wealthier taxpayer. This same middle-income taxpayer is likely to feel overwhelmed when confronted by the massive and impersonal IRS bureaucracy. Often he or she will lack the resources to hire expensive attorneys to correct an IRS mistake or an arbitrary decision. Even if this taxpayer prevails, he or she is likely to feel badly treated by the Service, and by the Federal Government as a whole.

The taxpayer bill of rights 2 contains many provisions to level the playing field for the taxpayer. One of these safeguards is also contained in legislation I introduced earlier this session, the Taxpayer Regulatory Relief Act of 1991, S. 532. This provision ensures that any new IRS ruling or regulation must apply prospectively only, unless Congress clearly decides otherwise. Under current practice, the IRS can delay proposing new rules or offer preliminary regulations, wait several years

later to clarify the regulations, and then require taxpayers to comply with the regulations after the fact.

Retroactive regulation is unfair to taxpayers because it changes the rules in the middle of the game. We must stop penalizing worker Americans when the IRS is at fault. In addition, the current IRS method is bad for the economy because it has a chilling effect on legitimate business transactions. Taxpayers and businesses should not have to meet the unrealistic, arbitrary and unforeseen demands set forth by bureaucrats.

This legislation strengthens the role of the ombudsman, a position created in the first bill of rights. Rather than being hired by the IRS Commissioner, this advocate for the taxpayer now will be chosen by the President. Moreover, the ombudsman will make quarterly reports to Congress, and he will directly oversee the problems resolution offices located in the local districts and responsible for much of the Service's direct contact with taxpayers.

Another provision of the bill of rights is similar to legislation I introduced in 1990 to give taxpayers more rights when they are forced to do battle in court with the Internal Revenue Service. Under current law, Mr. President, a taxpayer who actually beats the nearly invincible IRS can recover legal fees only if he or she wins the case and can prove that the IRS was not substantially justified in pressing its case.

This standard is completely ridiculous. If a taxpayer suffers a loss at the hands of the Government, the taxpayer should be able to recover the costs of this fruitless exercise. The taxpayer bill of rights 2 shifts the burden of proof from the victorious taxpayer to the IRS. It requires that the Service must prove that its position in the proceedings was substantially justified to avoid an award of costs to the taxpayer. Again, this provision does not make the Service's job impossible or overly difficult; it merely strikes the proper balance between a huge Federal bureaucracy and the taxpayer.

I would highlight one final provision of this comprehensive legislation. Currently, there is a difference in the interest that the taxpayer pays the IRS on underpayments and the interest the IRS pays the taxpayer on overpayments. Not surprisingly, that differential favors the Government, not the individual American. The legislation we introduce today would equalize the interest rates, achieving even more fairness in the tax system.

Mr. President, in our eagerness to enact sweeping legislation to stimulate the economy through changes in the tax system, we cannot forget our obligation to ensure that the system operates justly. We cannot forget that the average taxpayer is ill-suited to battle the awesome Internal Revenue Service when the giant makes mistakes or acts

improperly. It is our responsibility to safeguard the citizen's rights and equip him or her with adequate weapons. I urge my colleagues to support this important legislation.

Mr. GRASSLEY. Mr. President, in the midst of the tax filing season, the issue of taxpayers' rights takes on a special importance. Although most IRS employees provide valuable and responsible service, taxpayer abuse still exists. With this in mind, I am very happy to be joining Senator PRYOR and others in introducing the taxpayer bill of rights 2. This is very necessary legislation that builds upon the original taxpayer bill of rights that we passed into law in 1988. Senator PRYOR should be commended for, once again, taking the lead in promoting further taxpayer protections against Internal Revenue Service abuse.

For me, the long process of trying to ensure taxpayer protections began in the early 1980's, when I was a member and then chairman of the Finance Subcommittee on IRS Oversight. We made progress, but it was only the beginning.

Senator PRYOR continued the cause when he succeeded me as chairman in 1987. At that time, he took the initiative and asked me to work with him in pushing for a taxpayer bill of rights by expanding legislation I and others had introduced. It took nearly 2 years, but we ultimately succeeded in achieving this goal.

We now have a 3-year record of implementation regarding the taxpayer bill of rights. Great strides toward taxpayer protection were achieved through this legislation. However, the taxpayer bill of rights of 1988 was never expected to be the final chapter of the book on taxpayer protection. It was a major step in the continuing process of stamping out taxpayer abuse. And that process continues today, as we look into ways to improve the current law.

In reviewing the record, it's clear that much more needs to be done. There's no question that breakdowns in implementing the law have occurred, and there are gaps in the law that need to be filled. As the ranking member of Senator PRYOR's Finance Subcommittee that oversees the IRS, I have worked with Senator PRYOR in developing this legislation that will address these concerns.

Senator PRYOR will convene the second hearing on our proposal tomorrow. With the House side pursuing a similar package, I'm very encouraged that we will see results before the end of this session. I urge my colleagues to join us in this effort to help make the IRS more responsible and more accountable to the taxpayers of this country.

Mr. FOWLER. Mr. President, I am pleased to join my distinguished colleague from Arkansas, Senator PRYOR, once again as he renews his fight on behalf of the American taxpayer.

As we near the end of winter, I know that all of us are looking eagerly ahead

to the cherry blossoms that in several weeks will mark the dawn of spring here in our Nation's Capital.

In my home State of Georgia, folks will also be watching for the cherry blossoms down in Macon, for the roses in Thomasville, for the azaleas at Callaway Gardens, the peach blossoms in Perry, and for the dogwood blossoms that blanket the State like a spring snowstorm.

But as the warmth of spring and thoughts of Easter fill their hearts, the people of Georgia and the Nation will remember another rite of spring that is likely to send the chill of winter down their spines. They will remember that, like the ice man, the tax man cometh.

As Mr. Franklin wrote over 200 years ago to his friend Jean-Baptiste Leroy of France: "In this world nothing can be said to be certain, except death and taxes."

Mr. President, that our Nation must levy and collect taxes for the public good is indeed inevitable. But that any citizen should see their legal rights denied or their human dignity abused by the tax collectors is intolerable.

As a cosponsor of the original taxpayer bill of rights that Senator PRYOR authored in 1988, I want to voice my strong and unequivocal support for this next step in the process of providing rock solid protection for the American taxpayer against abuse and ill treatment at the hands of the IRS.

We have all heard the horror stories that pour into our offices daily about the difficulty average Americans experience in getting a fair hearing and efficient service from the Internal Revenue Service. Often, these stories border on the humorous, but I assure you, they are no laughing matter.

I have piles of letters that document the trials of those who have braved the redtape of the tax collecting bureaucracy. My constituents say they can't get through on the phone, that their letters go unanswered, that they receive computer notices in error, and that they suffer the arrogance and personal threats of IRS employees. Small business owners complain about the maze of tax laws and say they're badgered about tax accounts they've already paid.

One family, Betty and Wesley Campbell of College Park, GA, recently wrote me about a lien that has been placed on their home by the IRS.

Ms. Campbell writes:

My husband and I have always paid our taxes in a timely manner and do not have outstanding IRS debts. We attempted to reach the IRS about this matter but to no avail.

Mr. President, I think we all agree that taxpaying American homeowners have enough financial worries these days without having to look over their shoulder for an overreaching Uncle Sam.

Michael Griffis, of Fort Valley, GA, wrote me last September to see if I

could help him locate a \$1,000 refund he had never received from his 1990 Federal income tax return.

He says the IRS keeps telling him to call back in 30 days. In desperation, he scratched out a handwritten postscript on the letter that simply reads: "Senator FOWLER, the IRS has really given me the run around. Help."

Another Georgian, Kenneth Piper of Newnan, wrote me in December that the IRS, "threatened to levy against me for everything except for the underwear I had on for my refusal to send a check for payroll withholding that had been paid in 1984."

Mr. President, economic hard times are plaguing the taxpayers of this Nation. In the coming weeks, the Congress will be searching for ways to relieve the tax burden on working families and to help them back on their feet. But all of this work will amount to nothing if working Americans can't get their refund, or if they get punched back into financial danger by the bully tax man.

The legislation is an essential building block in the effort to construct a system of tax fairness in this Nation.

It is an article of faith between the government and the people, not unlike the original Bill of Rights.

By creating an independent administrative appeal process to resolve disputes, by strengthening the ombudsman's role to prevent hardships to taxpayers, and by eliminating the difference between the interest Americans pay to the IRS and the interest the IRS pays the taxpayer, this legislation makes fundamental progress toward the goal of true tax fairness in America.

By enhancing the system through which taxpayers can recover out-of-pocket expenses in cases where the IRS has overstepped its bounds and by preventing the Treasury Department from issuing prospective regulations without the approval of Congress, the bill restores a level of accountability to a system that has often run roughshod over the finances of individuals and businesses.

I applaud my colleague, Senator PRYOR for his leadership and continued efforts in this area and I urge this body to act quickly on this bill.

By Mr. BENTSEN:

S. 2240. A bill for the relief of Maria Adriana Lopez; to the Committee on the Judiciary.

RELIEF OF MARIA ADRIANA LOPEZ

• Mr. BENTSEN. Mr. President, I rise today to introduce a private naturalization bill on behalf of Maria Adriana Lopez, of Irving, TX. Adriana is an 18-year-old permanent resident of the United States. She is currently a senior at MacArthur High School, in Irving, where she is ranked second in her class of 379 students. This bill will help shorten the waiting period for be-



coming a U.S. citizen. Adriana must be a citizen to be eligible for a number of private scholarships for which she could be a top candidate. She will not be able to attend the college or university of her choice without the benefit of these scholarships.

Despite extraordinary hardships, Mr. President, Adriana has excelled as a student. Even though she did not begin to speak, read, or write English until well after the third grade, she has assembled an outstanding scholastic record.

Adriana lives with her brother, sister, and mother, who is employed as a domestic worker. Her father passed away in 1984. Adriana has worked part-time jobs to supplement the family's income.

Mr. President, Adriana has managed to find time to participate in various extracurricular high school clubs and activities, holding numerous positions of leadership. These organizations include student council, National Honor Society, Spirit Club, and the Young Life Christian Organization. Her goals are to attend college and obtain a degree in international business management.

Adriana is described by one of her teachers as "an effervescent, beautiful young lady whose personal charm and love for others is equalled only by her unusually outstanding scholarship, emotional stability, and compassion for others."

The letters I have received from the people of Irving make it clear that this is a young woman of outstanding moral character, committed to the principles of the Constitution of the United States. I hope the Subcommittee on Immigration and Refugee Affairs will move this private relief bill to help Adriana continue to pursue the dreams and hopes for which she has worked so hard.

Mr. President, I ask unanimous consent that the full text of my statement be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2240

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

#### SECTION 1. WAIVER OF PERIOD OF RESIDENCY REQUIREMENT.

Maria Adriana Lopez shall be considered to have satisfied the requirements of section 316 of the Immigration and Nationality Act relating to required periods of residence and physical presence within the United States, and, notwithstanding section 310(d) of that Act, may be naturalized if she is otherwise eligible for naturalization under that Act.

#### SEC. 2. LIMITATION OF WAIVER.

Section 1 shall apply only if Maria Adriana Lopez files an application for naturalization within two years after the date of the enactment of this Act.♦

By Mr. HOLLINGS:

S. 2241. A bill to add to the list of import-sensitive articles that may not be

designated as articles eligible for duty-free treatment under title V of the Trade Act of 1974; to the Committee on Finance.

#### ADDITION TO LIST OF IMPORT-SENSITIVE ITEMS UNDER THE TRADE ACT OF 1974

Mr. HOLLINGS. Mr. President, today, I am introducing a bill that would remove sulfanilic acid from the Generalized System of Preference [GSP] Program. I am introducing this bill because extension of GSP benefits to importers of this product will seriously injure the domestic manufacturer of sulfanilic acid. This domestic manufacturer is located in Fort Mill, SC, and employs 80 Americans.

Due to a recent change in tariff classification, sulfanilic acid became GSP-eligible, which allows this product to enter the United States duty-free. Hungary and India produce a significant amount of sulfanilic acid, and this recent change in status will allow this product from these countries to enter duty-free. It opens the door for Hungary and India to flood the United States market, as China has done, by giving them a favorable economic advantage. Import statistics show that this is already occurring from Hungary. Meanwhile, the Government of India is making price quotations to all potential customers, 30 percent below the domestic price.

The sulfanilic acid industry is vital to the United States. There is no replacement in the manufacture of important downstream chemicals. If the domestic sulfanilic industry were to be forced out of business due to imports, domestic companies would be entirely dependent upon overseas sources such as China, Hungary, and India. This could harm consumers due to possible shortages of sulfanilic products, or from higher prices. Continuing to include sulfanilic acid under GSP could serve as the knockout punch to domestic production. The effect of duty-free importation of sulfanilic acid will force the only domestic producer out of business, causing a loss of American jobs. A payroll of \$2 million per year would be lost as well as \$7 million per year in gross national product. The ability to domestically produce a chemical with a plethora of uses will also be lost. The bill I am introducing today is intended to prevent such detrimental results.

Mr. President, I ask unanimous consent that the full text of the bill I am introducing be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2241

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

SECTION 1. Section 503(c)(1) of the Trade Act of 1974 (19 U.S.C. 2463(c)(1)) is amended—

(1) by striking "and" at the end of subparagraph (F);

(2) by redesignating subparagraph (G) as subparagraph (H); and

(3) by inserting immediately after subparagraph (F) the following new subparagraph: "(G) sulfanilic acid, and".

By Mr. MITCHELL:

S. 2242. A bill to establish a National Commission of Independent Higher Education; to the Committee on Labor and Human Resources.

#### NATIONAL INDEPENDENT COLLEGES AND UNIVERSITIES DISCOVERY ACT

Mr. MITCHELL. Mr. President, soon we will begin consideration of legislation to reauthorize our Nation's higher education programs. No issue is more critical to America families than access to higher education.

It is no secret that the cost of obtaining a college education has risen during this decade at over twice the rate of inflation. While the cost of education is about the same whether an individual wants to attend a public or private institution, the price of tuition is different because States subsidize public universities.

Over one-half of all higher education institutions are independent colleges and universities. These independent institutions enroll 21 percent of all higher education students in the United States; award 33 percent of all bachelor's degrees in the United States; 42 percent of all master's degrees, 36 percent of all doctoral degrees, and 59 percent of all professional degrees.

Independent colleges and universities offer students an alternative to public education. Often class size is smaller, professors teach regularly in the class room, and essay tests replace standardized multiple choice tests. Private colleges can offer students this type of environment because on average their overall enrollment is lower. Their student-professor ratio is smaller.

At the turn of the 20th century, 80 percent of students enrolled in higher education in the United States were enrolled in independent colleges and universities. Today, only 21 percent of all higher education students are enrolled in independent institutions.

I am concerned that with the escalating costs of higher education and the ability of public institutions to keep college costs down with State subsidies, the ability of independent colleges to continue attracting and retaining qualified applicants may decline.

Today I am introducing legislation to create a National Commission on Independent Higher Education. The members of the Commission will have expertise and experience in independent higher education, including expertise in national tax policy, State higher education finance, Federal financial aid programs, student and faculty diversity, and graduate education and research.

The purpose of the Commission is threefold. The Commission will develop a factual base for understanding the status of independent colleges and uni-

versities, their contributions to public priorities, and the effects of national higher education policies on the independent nonprofit sector.

The Commission will review Federal regulations affecting independent colleges and suggest means by which accountability for public resources can be improved while retaining institutional autonomy; and third, the Commission will address the impact Federal and State policies have on independent colleges, particularly with respect to student access and choice, finance, institutional subsidies, and institutional accountability.

Independent colleges and universities make an important contribution to this Nation. Yet, the reduction in Federal and State support for student financial assistance has placed the option of choosing an independent college or university at risk for an increasing number of students.

Diversity among options for higher education is important. There is no model that is right for all students. I hope this legislation is enacted and I look forward to reviewing the Commission's report.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2242

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

#### SECTION 1. SHORT TITLE.

This Act may be cited as the "National Independent Colleges and Universities Discovery Act".

#### SEC. 2. FINDINGS.

The Congress finds that—

(1) the quality and scope of higher education in our Nation is without argument the finest in the world, and a distinguishing feature of our Nation's system of higher education is its strong and diverse nonprofit independent sector;

(2) independent colleges and universities are as diverse as the Nation itself and include traditional liberal arts institutions, major research universities, church- and faith-related colleges, colleges and universities primarily attended by minorities, women's colleges, junior colleges, and schools of law, medicine, engineering, business and other professions;

(3) the diversity of independent colleges and universities offers students a choice in the type of educational experience that will best serve such students' interests, needs and aspirations;

(4) independent colleges and universities enroll 21 percent of all students in the United States, award 33 percent of all bachelor's degrees in the United States, 42 percent of all such master's degrees, 36 percent of all such doctoral degrees, and 59 percent of all such professional degrees;

(5) a majority of all undergraduate students attending independent colleges and universities receive some form of financial assistance, and such independent colleges and universities provide such financial assistance from their own resources;

(6) the proportion of minority students enrolled in independent colleges and universities is slightly higher than the proportion of such students enrolled in State colleges and universities;

(7) independent colleges and universities are deeply involved in hundreds of partnerships with elementary and secondary schools, and such partnerships are largely funded by such colleges and universities;

(8) independent colleges and universities have been an extraordinary example of private-public partnerships, with such colleges and universities operating in the public interest to provide a public good;

(9) less than 20 percent of the revenue of independent colleges and universities comes from governmental funds, most of which is in the form of Federal and State financial aid;

(10) decreases in Federal and State support for student financial aid programs has placed at risk the option of choosing an independent college or university for an increasing number of students;

(11) whereas at the turn of the twentieth century 80 percent of the students enrolled in higher education in the United States were enrolled in independent colleges and universities, such percentage has now declined to 21 percent, and further erosions place at risk the option of choosing an independent college or university for students and parents; and

(12) the entire sector of independent colleges and universities and the important contributions such sector makes to our Nation is at risk and deserves national policy attention.

#### SEC. 3. PURPOSE.

It is the purpose of this Act to establish a National Commission on Independent Higher Education.

#### SEC. 4. NATIONAL COMMISSION ON INDEPENDENT HIGHER EDUCATION.

(a) ESTABLISHMENT.—There is established as an independent agency in the executive branch a commission to be known as the National Commission on Independent Higher Education (hereafter in this Act referred to as the "Commission").

##### (b) MEMBERSHIP.—

(1) COMPOSITION.—The Commission shall be composed of 9 members, 3 of whom shall be appointed by the President, 3 of whom shall be appointed by the Speaker of the House of Representatives, and 3 of whom shall be appointed by the Majority Leader of the Senate.

(2) EXPERTISE REQUIREMENT.—The members of the Commission shall consist of individuals with expertise and experience in independent higher education, including expertise in national tax policy, individuals with expertise in State higher education finance, individuals with expertise in Federal financial aid programs, individuals with expertise in issues of student and faculty diversity, and individuals with expertise in graduate education and research.

(3) DATE.—The members of the Commission shall be appointed not later than 6 months after the date of enactment of this Act.

(c) PERIOD OF APPOINTMENT; VACANCIES.—Members of the Commission shall be appointed for the life of the Commission. Any vacancy in the Commission shall not affect its powers, but shall be filled in the same manner as the original appointment.

(d) MEETINGS.—The Commission shall meet at the call of the Chairman.

(e) QUORUM.—Six of the members of the Commission shall constitute a quorum, but a lesser number of members may hold hearings.

(f) CHAIRMAN.—The Commission shall select a Chairman from among its members.

#### SEC. 5. DUTIES OF THE COMMISSION.

The Commission shall—

(1) develop a factual base for understanding the status of independent colleges and universities, their contributions to public priorities, and the effects of national higher education policies on the independent nonprofit sector;

(2) review the issuance of Federal regulations regarding independent colleges and universities, and suggest means by which independent colleges and universities can be held accountable for use of public resources without inappropriate intrusion into institutional autonomy; and

(3) address the relation between Federal and State policies on independent colleges and universities, particularly with respect to student access and choice, finance, institutional subsidies, and institutional accountability.

#### SEC. 6. REPORT AND RECOMMENDATIONS.

(a) INTERIM REPORT.—The Commission shall submit an interim report to the President and the Congress on the Commission's activities and findings within 18 months of the date of enactment of this Act.

##### (b) FINAL REPORT.—

(1) IN GENERAL.—The Commission shall submit a final report to the President and the Congress on the Commission's activities and findings within 3 years of the date of enactment of such Act.

(2) RECOMMENDATION.—The report described in paragraph (1) shall contain a recommendation regarding the establishment of a national policy on independent colleges and universities appropriate to meeting the Nation's higher educational goals in the twenty-first century.

#### SEC. 7. POWERS OF THE COMMISSION.

(a) HEARINGS.—The Commission may hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence as the Commission considers advisable to carry out the purposes of this Act.

(b) INFORMATION FROM FEDERAL AGENCIES.—The Commission may secure directly from any Federal department or agency such information as the Commission considers necessary to carry out the provisions of this Act. Upon request of the Chairman of the Commission, the head of such department or agency shall furnish such information to the Commission.

(c) GIFTS.—The Commission may accept, use, and dispose of gifts or donations of services or property.

#### SEC. 8. COMMISSION PERSONNEL MATTERS.

(a) TRAVEL EXPENSES.—From amounts available to the Secretary of Education, the members of the Commission shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter I of chapter 57 of title 5, United States Code, while away from their homes or regular places of business in the performance of services for the Commission.

(b) DETAIL OF GOVERNMENT EMPLOYEES.—Any Federal Government employee may be detailed to the Commission without reimbursement, and such detail shall be without interruption or loss of civil service status or privilege.

##### (c) STAFF.—

(1) IN GENERAL.—The Chairman of the Commission may, without regard to the civil service laws and regulations, appoint and terminate an executive director and not



more than 2 staff members to enable the Commission to perform its duties. The employment of an executive director shall be subject to confirmation by the Commission.

(2) **COMPENSATION.**—The Chairman of the Commission may fix the compensation of the executive director and not more than 2 staff members without regard to the provisions of chapter 51 and subchapter III of chapter 53 of title 5, United States Code, relating to classification of positions and General Schedule pay rates, except that the rate of pay for the executive director and such staff may not exceed the rate payable for level 15 of the General Schedule classified under section 5107 of such title.

#### SEC. 9. TERMINATION OF THE COMMISSION.

The Commission shall terminate 3 years after the date of enactment of this Act.

By Mr. THURMOND:

S. 2244. A bill to require the construction of a memorial on Federal land in the District of Columbia or its environs to honor members of the Armed Forces who served in World War II and to commemorate United States participation in that conflict; to the Committee on Energy and Natural Resources.

#### AUTHORITY TO CONSTRUCT MEMORIAL TO MEMBERS OF THE ARMED FORCES WHO SERVED IN WORLD WAR II

Mr. THURMOND. Mr. President, as a veteran of World War II, it is a pleasure to rise today to introduce legislation to establish a memorial to honor members of the Armed Forces who served in World War II and to commemorate the United States participation in that conflict. On December 7, 1991, we observed the 50th anniversary of the bombing of Pearl Harbor. It is now time to honor those who faithfully served our country in the aftermath of that historic day.

World War II was one of the most significant wars in our history as a Nation. Involving more than 16 million Americans, it was the war which preserved freedom for the Western World. Yet, it was not without a heavy toll. The damage and the human suffering were extreme. More than 670,000 Americans were wounded and over 400,000 made the ultimate sacrifice by giving their lives. A tribute to these Americans is richly deserved.

World War II memorials are located all over the world. However, there is no single monument that honors the American veterans of World War II as a group. Our Nation's Capital would be an especially fitting location for such a monument, and the legislation I am proposing would provide for such a location in the District of Columbia or its environs.

In addition, Mr. President, this monument would be constructed solely with private contributions. I want to emphasize this point—No Federal tax dollars would be used for construction of the memorial. The only cost to the taxpayer would be for the maintenance and care of the memorial, once it is constructed.

Mr. President, I would now like to briefly explain the provisions of this bill.

Section 1 of this legislation authorizes the National World War II Memorial Fund, Inc. [Fund] to build a World War II Memorial on Federal land in the District of Columbia or its environs.

Section 2 provides for the establishment of a World War II Memorial Advisory Board. This board will consist of 12 members including World War II veterans, historians, representatives of veterans organizations and other historical associations knowledgeable on the subject. Their responsibilities will include encouraging the donation of private funds for construction, recommending a site for the memorial, and assisting the Fund in selecting a design for the memorial.

Section 3 of the bill specifies the responsibilities of the Fund. As distinguished from the board, the Fund will be the actual entity which solicits and accepts the private contributions for construction of the memorial.

Section 4 authorizes other Federal entities to offer their administrative services and support to the Fund in carrying out its functions.

Section 5 specifies that the maintenance and care of the memorial be the responsibility of the Secretary of the Interior.

Section 6 makes the bill subject to Public Law 99-652, which specifies the procedures for approving commemorative works such as this monument.

Finally, section 7 provides that construction of the Memorial must be commenced within 5 years after the date of enactment of this Act.

Mr. President, this monument pays tribute to the men and women who have given of themselves to make our lives, and the lives of all Americans, better today. It is fitting that there be a memorial in Washington to which they can bring their children and their grandchildren and say "This is why we fought and how we honor those who served." This memorial is long overdue.

Mr. President, we have constructed a Vietnam Veterans Memorial, and have enacted legislation approving the construction of the Korean Veterans Memorial and the Women's Vietnam Memorial. The veterans of World War II deserve no less. I urge my colleagues to join me in support of this bill.

I ask unanimous consent that a copy of this legislation appear in the RECORD immediately following my remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

#### S. 2244

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

#### SECTION 1. IN GENERAL.

(a) **AUTHORITY TO CONSTRUCT MEMORIAL.**—The National World War II Memorial Fund,

Inc. (hereafter referred to as the "Fund") shall construct a memorial (hereafter referred to as the "Memorial") on Federal land in the District of Columbia or its environs to honor members of the Armed Forces who served in World War II and to commemorate United States participation in that conflict.

(b) **OVERSIGHT BY FUND.**—The Fund shall plan, design, and oversee the construction of the Memorial.

#### SEC. 2. WORLD WAR II MEMORIAL ADVISORY BOARD.

(a) **ESTABLISHMENT.**—There is established the World War II Memorial Advisory Board (hereafter referred to as the "Board").

(b) **MEMBERSHIP.**—

(1) **COMPOSITION.**—The Board shall consist of 12 members to be appointed by the President.

(2) **BACKGROUND.**—The members of the Board shall include representatives of veterans organizations, World War II veterans, World War II historians, and representatives of American historical associations and other organizations knowledgeable about World War II.

(3) **DATE OF APPOINTMENTS.**—Appointments to the Board shall be made within 120 days after the date of the enactment of this Act.

(c) **TERM.**—Members of the Board shall serve for a term of 5 years.

(d) **VACANCIES.**—A vacancy in the Board shall be filled in the same manner as the original appointment. A member appointed to fill a vacancy resulting from the departure of a member before the expiration of his term shall serve for the remainder of the unexpired term of such departing member.

(e) **CHAIRPERSON AND VICE CHAIRPERSON.**—The President shall designate the Chairperson and Vice Chairperson of the Board from among the members of the Board.

(f) **DUTIES OF THE BOARD.**—The Board shall—

(1) on behalf of the Fund, promote and encourage the donation of private funds for the construction of the Memorial; and

(2) recommend the site for and assist the Fund in selecting the design of the Memorial.

(g) **COMPENSATION.**—Members of the Board shall serve without compensation, but shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for persons serving intermittently in the Government service under subchapter I of chapter 57 of title 5, United States Code, while away from their homes or regular places of business in the performance of the responsibilities of the Board. Such travel expenses shall be paid exclusively from private funds donated to the Board or the Fund.

(h) **TERMINATION.**—The Board shall terminate 30 days after the completion of the Memorial or, if applicable, on the date on which the authority provided in this Act lapses under section 7, whichever is earlier.

#### SEC. 3. PRIVATE CONTRIBUTIONS.

The Fund may solicit and accept private contributions for the construction of the Memorial. The Fund shall maintain documentation of any such contributions.

#### SEC. 4. ASSISTANCE.

(a) **IN GENERAL.**—The Secretary of the Smithsonian Institution, the Librarian of Congress, and the head of each department, agency, or other establishment of the executive branch may assist the Fund in the performance of its functions.

(b) **ADMINISTRATIVE SUPPORT.**—The Secretary of Veterans Affairs may provide administrative services and support to the Fund. The Fund shall reimburse the Secretary for the cost of services and support provided under this subsection.

(c) **TRANSFER OF PROPERTY.**—For the purpose of establishing the Memorial—

(1) the head of any department, agency, or establishment of the United States may transfer to the administrative jurisdiction of the Fund any real property in the District of Columbia or its environs which is under the administrative jurisdiction of such department, agency, or establishment; and

(2) the Fund may purchase any real property within the District of Columbia or its environs, subject to the consent of the owner of such property.

(d) **COST OF CONSTRUCTION.**—The United States shall not be liable for any expense incurred for the construction of the Memorial.

#### SEC. 5. MAINTENANCE.

The maintenance and care of the Memorial and the grounds associated with the Memorial shall be the responsibility of the Secretary of the Interior.

#### SEC. 6. OTHER LAW.

The authority provided in this Act is subject to the requirements of the Act entitled "An Act to provide standards for placement of commemorative works on certain Federal lands in the District of Columbia", approved November 14, 1986 (100 Stat. 3650; 40 U.S.C. 1001 et seq.).

#### SEC. 7. LAPSE OF AUTHORITY.

The requirements and authority provided in this Act shall lapse if—

(1) construction of the Memorial is not commenced within 5 years after the date of enactment of this Act; or

(2) prior to construction of the Memorial, the Secretary of the Interior certifies that funds are not available in an amount sufficient to insure completion of the Memorial.

By Mr. DOMENICI (for himself and Mr. BINGAMAN):

S. 2245. A bill to authorize funds for the implementation of the settlement agreement reached between the Pueblo de Cochiti and the U.S. Army Corps of Engineers under the authority of Public Law 100-202; to the Select Committee on Indian Affairs.

#### AUTHORIZATION OF SETTLEMENT AGREEMENT

• Mr. DOMENICI. Mr. President, I am pleased to rise today, along with the other Senator from New Mexico, Mr. BINGAMAN, to introduce legislation that authorizes the Secretary of the Interior and the Secretary of the Army to meet the terms of a settlement agreement negotiated between the Army Corps of Engineers and Pueblo de Cochiti, NM.

The settlement agreement stems from seepage problems that have occurred at Cochiti Dam. A brief history is in order.

Cochiti Dam was completed in the early 1970's by the Army Corps of Engineers just upriver from the Pueblo. Soon after the reservoir was built, it became evident that water from the reservoir was seeping under the dam and raising the water table. The lands the Pueblo have farmed for traditional agricultural purposes for centuries became waterlogged and unusable.

Not only did this situation impose a tremendous economic burden on the Pueblo, but these lands hold a great religious importance in the life and culture of the Pueblo.

In an effort to reverse the damage, the corps in 1979 constructed a modest structural solution covering 17 acres. Unfortunately, that effort was overwhelmed by the scope of the problem.

The Pueblo filed a lawsuit in 1985 against the Federal Government in a effort to recover \$10 million in damages and to force the corps to build and operate a project to restore the lands. That suit is pending, after denial of the Government's motion to dismiss.

In fiscal year 1988, Congress appropriated \$750,000 in a new effort to solve the problem. The Congress directed the corps and the Pueblo to develop a structural solution for the entire area, one that would enable the Pueblo and the corps to settle the lawsuit and solve a problem that was clearly created by a Federal action.

In this fiscal year, Congress provided \$300,000 for completion of final designs and specifications for construction of the drain system and to coordinate the final design and specifications with the Tribal Council of the Pueblo.

The settlement agreement that has now been reached, provides a structural solution to the problem, provides funds for field restoration and damages, and establishes a fund to pay for operation and maintenance of the drainage system.

During this entire period, I have worked closely with the leaders of the Pueblo. I have visited the site. I have walked through those damaged fields.

Mr. President, I urge the Senate to move rapidly on this important legislation, so the Federal Government can meet its recognized commitment to the people of Cochiti Pueblo to correct this seepage problem and give the Pueblo back the use of its lands.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2245

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

#### SECTION 1. GENERAL AUTHORIZATION.

The Secretary of the Interior and the Secretary of the Army are authorized and directed to implement the settlement agreement negotiated under the authority of Public Law 100-202 by the Pueblo de Cochiti of New Mexico, a federally recognized Indian Tribe, and the United States Army Corps of Engineers, as set forth in the report of the Corps of Engineers entitled "Report on Investigations, Wet Field Solution", dated July 24, 1990, addressing seepage problems at the Cochiti Dam on tribal lands.

#### SEC. 2. DUTIES OF THE SECRETARY OF THE INTERIOR.

In accordance with the settlement agreement and pursuant to the trust relationship between the United States Government and the Pueblo de Cochiti of New Mexico, upon completion of construction of the drainage system, the Secretary of the Interior, acting through the Bureau of Indian Affairs, shall

be responsible for its maintenance, repair, and replacement, as provided in the settlement agreement.

#### SEC. 3. DUTIES OF THE SECRETARY OF THE ARMY.

In accordance with the settlement agreement, the Secretary of the Army is authorized and directed to construct the underground drainage system necessary to correct the high ground water problem at the Pueblo de Cochiti and to carry out all other provisions of the settlement agreement, except those specifically assigned to the Secretary of the Interior under the provisions of this Act.

#### SEC. 4. APPROPRIATIONS AUTHORIZED.

There are authorized to be appropriated such sums as are necessary to carry out the provisions of this Act, and the settlement agreement. •

• Mr. BINGAMAN. Mr. President, I am pleased to rise today, to join my colleague from New Mexico, Mr. DOMENICI, in introducing a bill which will authorize the Secretary of the Interior and the Secretary of the Army to meet the terms of the settlement agreement negotiated between the Pueblo de Cochiti and the Army Corps of Engineers.

The Army Corps of Engineers completed construction of a dam on the Rio Grande just north of the Cochiti Pueblo in 1976. Soon after the reservoir was built, a destruction of land which previously had been farmed by the people of Cochiti since pre-Spanish times began. The Pueblo's only agricultural land, nearly 800 acres, was directly below the dam, and was rendered virtually useless because of water storage and extensive seepage from under the dam. The resulting high water table left standing ponds and marshes where previously there had been arable land. The livelihood of many of the people of the Pueblo who depended historically on farming was seriously damaged or destroyed.

Initial efforts by the Corps of Engineers to stem this problem were unsuccessful, and finally the Pueblo filed a lawsuit against the Federal Government to recover both damages and to assure that the corps would build and operate a project to restore to the Pueblo its ruined agricultural fields. The suit is still pending.

During this time, funds have been appropriated to help solve the problem—final designs and specifications for a drainage system were completed by the corps in coordination with the Pueblo Tribal Council. And now a settlement agreement between the two parties has been reached. It is essential for us to move quickly to see that the terms of this agreement are met and the people of Cochiti have the use of their traditional agricultural lands restored. This legislation ensures that outcome.

I urge my colleagues to support this important legislation. •

By Mr. PRESSLER:

S.J. Res. 256. Joint resolution to recognize June 5, 1992, as "World Environment Day," and to urge that the U.N.



Conference on Environment and Development be given the highest priority by the United States; to the Committee on Foreign Relations.

#### WORLD ENVIRONMENT DAY

Mr. PRESSLER. Mr. President, I rise today to introduce a joint resolution to recognize June 5, 1992, as World Environment Day and to urge that the U.N. Conference on Environment and Development [UNCED] be given highest priority by the Congress and the administration.

UNCED, established by the U.N. General Assembly in 1989, will be the culmination of more than 2 years of work performed through the preparatory committee meetings that began in August 1990, with the fourth and final one scheduled for March 2-April 4, at the U.N. headquarters in New York City.

Three preparatory committees have divided the major issues as follows:

Working group I is dealing with protection of the atmosphere, land resources, including forest protection and soil loss, biological diversity, and biotechnology.

Working group II covers oceans, seas and coastal seas, freshwater resources, wastes, and toxics.

Working group III was constituted at the second meeting of the preparatory committee to organize its agenda on legal and institutional issues.

To date, 38 heads of state have made the commitment to attend the UNCED June 1-12, where, hopefully, some consensus on how to address the linkages between environment and development priorities can be reached.

Mr. President, World Environment Day has not received a great deal of attention in this country. Rather, we have focused our attentions on the celebration of Earth Day each April for several years now. I have cosponsored the Senate legislation designating Earth Day.

Earth Day is an important celebration, but more needs to be done to focus the attention of this Nation and the world on environmental issues. My resolution is designed to do just that. In addition, Mr. President, this year World Environment Day has special significance for several reasons.

First, it marks the 20th anniversary of the U.N. Conference on the Human Environment, held in Stockholm, Sweden, in June 1972.

In addition, World Environment Day will receive special attention during the UNCED or Earth summit, as some are referring to the meeting scheduled in Rio de Janeiro, Brazil, June 1-12, 1992.

Finally, I believe recognition of World Environment Day should be expanded. Last year, there was a very special celebration of World Environment Day held at the United Nations in New York City.

A posthumous award was given to a young boy for his vision and work on

saving the Earth. As a fifth grade student at Sunny Hollow Elementary School in New Hope, MN, Clinton Hill cared deeply about environmental issues. He believed that children—working together—could help protect the health and beauty of the Earth. He drew a poster and started a club with some classmates, a club he hoped would make a real difference.

Unfortunately, Clinton was unable to realize his dream. In November 1989, at the age of 11, he died of a brain tumor. Yet his dream lives on through Kids for Saving Earth, established shortly after his death as a nonprofit organization by his parents, Tessa and William Hill.

Kids for Saving Earth has now spread throughout the world. Today, there are 15,000 clubs and a membership of 500,000 youngsters.

I knew Clinton. I knew of his dream. I was pleased to learn that last year, Clinton's parents accepted a special Green Nobel Award on World Environment Day for their son's contribution to the creation of Kids for Saving Earth. I wish each of you could have attended this ceremony to visit with the 150 young people who took part in it. If you had, you would feel as strongly as I do about the importance of this Nation recognizing World Environment Day.

My resolution also emphasizes the importance of the UNCED meeting which will be held in Rio de Janeiro, Brazil, June 1-12, 1992. Aside from the obvious environmental concerns which will be addressed at the Conference, many items on the agenda could have a profound affect on the U.S.' economic growth, productivity, and international competitiveness. It is critical for the United States to take a leadership role in UNCED.

I urge my colleagues to join as cosponsors of this resolution and support its timely adoption.

Mr. President, I ask unanimous consent that the full text of the joint resolution be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

#### S.J. RES. 256

Whereas environmental concerns now transcend governmental boundaries and affect the security and well-being of both present and future generations throughout the world;

Whereas the United Nations Conference on Environment and Development, established by the United Nations General Assembly in 1989, will be held June 1 through 12 in Rio de Janeiro, Brazil;

Whereas the conference may be the largest gathering of world leaders in history, thus setting the stage for increased international cooperation;

Whereas June 1992 is also the 20th anniversary of the United Nations conference on the Human Environment, held in Stockholm, Sweden, in June 1972; and

Whereas World Environment day will be observed during the United Nations Conference on Environment and Development: Now, therefore, be it

*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That June 5, 1992, is recognized as "World Environment Day", a global environmental event of major significance, and the President is authorized and requested to issue a proclamation calling on the people of the United States to observe the day with appropriate ceremonies and activities.*

#### SEC. 2. The United States should—

(1) place the highest priority on the United Nations Conference on Environment and Development because the future security of the environment of the world, including the United States, may be shaped by the outcome of the negotiations; and

(2) immediately take a strong leadership role in the United Nations Conference on Environment and Development and underline the urgency of the critical environmental problems facing the world today in order that the Conference may achieve success in developing a global environmental action plan.

By Mr. LAUTENBERG (for himself and Mr. SEYMOUR):

S.J. Res. 257. Joint resolution to designate the month of June 1992, as "National Scleroderma Awareness Month"; to the Committee on the Judiciary.

#### NATIONAL SCLERODERMA AWARENESS MONTH

• Mr. LAUTENBERG. Mr. President, I rise to introduce a joint resolution to designate the month of June 1992 as "National Scleroderma Awareness Month."

Scleroderma is a chronic autoimmune disease characterized by the excess production of collagen, the main fibrous component of connective tissue. The prominent symptoms usually include hardening of the skin and poor circulation which may be progressive, painful, disfiguring, and crippling. Joint pains similar to arthritis limit mobility and digestive difficulties lead to inadequate nutrition causing fatigue and disability.

Scleroderma strikes suddenly and unpredictably, affecting previously healthy people of any age, race, socioeconomic level, and lifestyle. Women are affected four times more often than men, often in the prime of life. One form of the disease affects children. Because the symptoms of scleroderma vary widely, diagnosis can be complicated and confusing. Scleroderma affects hundreds of thousands of Americans, but because it is difficult to diagnose the exact number is still undetermined. Early diagnosis and treatment might slow the progression of the disease.

Unfortunately, even with treatment, scleroderma is an incurable disease. In its most severe form, the hardening process affects the lungs, kidneys, and heart, so the disease can be fatal. Even though some people have mild symptoms which do not interfere with a normal lifestyle, it is impossible to predict who will be stricken or what the prognosis will be for any particular individual. Recent research has identified certain blood antibodies which help to

classify the disease variants. Medications developed for other ailments can be prescribed to relieve some symptoms. Proper treatment and cure will probably not evolve until the cause of scleroderma is determined.

A national month of awareness would contribute to public understanding of scleroderma, publicize both to the patients and scientific community the advances made and promote activities and events to facilitate financial support for patient support groups and research.

Mr. President, I urge my colleagues to cosponsor this joint resolution and I ask unanimous consent that the text of the joint resolution be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

#### S.J. RES. 257

Whereas Scleroderma is a disease caused by the excess production of collagen, the main fibrous component of connective tissue, causing hardening of the skin and/or internal organs such as the esophagus, lungs, kidney and heart;

Whereas approximately 300,000 people in the United States suffer from scleroderma with women of childbearing age outnumbering men four to one;

Whereas scleroderma a painful, crippling and disfiguring disease is most often progressive and can result in premature death;

Whereas the symptoms of scleroderma are variable which can complicate and confuse diagnosis;

Whereas the cause and cure of scleroderma are unknown; and

Whereas scleroderma is an orphan disease which requires intensive research to improve treatment as well as find the cause and cure: Now, therefore, be it

*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,* That the Month of June, 1992, is designated as "National Scleroderma Awareness Month," and the President of the United States is authorized and requested to issue a proclamation calling on the people of the United States to observe the month with appropriate activities that will enhance awareness of the disease and its need for a cure.\*

By Mr. RIEGLE.

S.J. Res. 258. Joint resolution designating the week commencing May 3, 1992, as "National Correctional Officers Week"; to the Committee on the Judiciary.

#### NATIONAL CORRECTIONAL OFFICERS WEEK

• Mr. RIEGLE. Mr. President, I rise today to introduce a joint resolution designating the week of May 3 through May 9, 1992, as "National Correctional Officers Week."

Our local, State, and Federal prison systems are charged with the enormous task of both containing and rehabilitating an overwhelming number of prisoners—over 750,000 according to recent estimates. The men and women staffing U.S. correctional facilities are often unseen and unsung heroes. In these days of overcrowded prisons, cor-

rectional officers receive little recognition for their primary work of maintaining a safe and secure atmosphere inside our correctional facilities.

Our Nation's correctional officers work under highly stressful conditions on a daily basis—exposure to risky or dangerous situations is an inherent part of the job. These officers are responsible for ensuring the safety and welfare of a wide variety of inmates within facilities across the country. They also foster the development of skills and attitudes that assist inmates in becoming productive members of society when they are released. Additionally, the communities surrounding correctional facilities depend on the protection furnished by correctional officers.

The dedicated men and women who work in our jails and prisons deserve our support, appreciation, and recognition. I have introduced this resolution for that purpose for a number of years. I would urge my colleagues to support our Nation's correctional officers by cosponsoring this resolution.

Mr. President, I ask unanimous consent that the text of the resolution be printed in the RECORD directly following my remarks.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

#### S.J. RES. 258

Whereas the correctional officers who work in America's jails and prisons are currently responsible for the containment and control of over seven hundred and fifty thousand prisoners;

Whereas correctional officers must protect inmates from violence while encouraging them to develop skills and attitudes that can help them become productive members of society following their release;

Whereas the morale of correctional officers is affected by many factors, and the public perception of the role of correctional officers is more often based upon dramatization rather than factual review;

Whereas good job performance requires correctional officers to absorb the adverse attitudes present in confinement while maintaining themselves as professionals in order to have their actions appreciated and accepted by the public at large;

Whereas correctional officers have been honored by many States and localities;

Whereas correctional officers have been honored by joint resolutions of the Senate and House of Representatives of the United States in 1984, 1985, 1987, and 1989; and

Whereas the attitude and morale of correctional officers is a matter worthy of serious congressional attention: Now, therefore, be it

*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,* that the week commencing May 3, 1992, is hereby designated as "National Correctional Officers Week". The President of the United States is authorized and requested to issue a proclamation calling upon the people of the United States to observe such week with appropriate ceremonies and activities.\*

By Mr. MOYNIHAN (for himself,  
Mr. GARN, and Mr. SASSER):

S.J. Res. 259. Joint resolution providing for the appointment of Barber B. Conable, Jr. as a citizen regent of the Board of Regents of the Smithsonian Institution; to the Committee on Rules and Administration.

#### APPOINTMENT OF BARBER B. CONABLE AS A CITIZEN REGENT OF THE BOARD OF REGENTS OF THE SMITHSONIAN INSTITUTION

• Mr. MOYNIHAN. Mr. President, I rise to introduce a joint resolution to appoint Barber B. Conable, Jr., a citizen regent of the Smithsonian Institution. Senators GARN and SASSER, who sit with me on the Smithsonian Board of Regents, are cosponsors of the resolution. Upon enactment, Mr. Conable would assume a seat now vacant on the Board.

Barber Conable, a fellow New Yorker whose reputation is well known to the Members of this body, has a long and distinguished record of public service. As I said of him on another occasion, some men meet standards; others set them. Barber Conable has been one of the latter. President Bush concurred, calling him "one of the most sane and able men in the U.S. Congress." For 20 years he represented upstate New York in Congress, the last 8 of which as the ranking Republican member of the Committee on Ways and Means. I served with him on many a conference committee in those years, and also on the National Commission on Social Security Reform which was established in 1981. I am sure that our esteemed Republican leader Bob Dole would join me in attesting to his remarkable contribution to the success of that enterprise.

After serving nearly 20 shining years in the Congress, he and his wife, Charlotte, went to their lovely village of Alexander in upstate New York, only to be asked by President Reagan to return to Washington to serve as head of the International Bank for Reconstruction and Development, the World Bank, which he did with equal brilliance of a full 5-year term. During his tenure, the Bank nearly doubled its capital. But more importantly, he redirected the Bank's priorities—double the lending for education, greater consideration of the environmental impact of projects, and renewed emphasis on population control.

It is of special import to the Board of Regents that Barber Conable serves as trustee of the National Museum of the American Indian and on the International Founders Council to raise funds for construction of the Indian Museum on the mall. He has chaired its development committee since October 1990. The Indian Museum constitutes the largest single acquisition in the Smithsonian Institution's history and the largest collection in existence of artifacts from the native peoples of the Western Hemisphere. His knowledge of the museum and its collections, and his study of native American culture will



be of inestimable value to the Board of Regents and the Smithsonian as a whole.

I urge my colleagues to support this resolution, and ask unanimous consent that its full text be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 259

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That, in accordance with section 5581 of the Revised Statutes of the United States (20 U.S.C. 43), the vacancy on the Board of Regents of the Smithsonian Institution, in the class other than Members of Congress, be filled by the appointment of Barber B. Conable, Jr. of New York. The appointment is for a term of six years and shall take effect upon the date of enactment.●

#### ADDITIONAL COSPONSORS

S. 873

At the request of Mr. BOREN, the name of the Senator from Colorado [Mr. BROWN] was added as a cosponsor of S. 873, a bill to amend the Internal Revenue Code of 1986 to clarify the treatment of interest income and rental expense in connection with safe harbor leases involving rural electric cooperatives.

S. 914

At the request of Mr. GLENN, the name of the Senator from Nebraska [Mr. KERREY] was added as a cosponsor of S. 914, a bill to amend title 5, United States Code, to restore to Federal civilian employees their right to participate voluntarily, as private citizens, in the political processes of the Nation, to protect such employees from improper political solicitations, and for other purposes.

S. 1150

At the request of Mr. PELL, the name of the Senator from Illinois [Mr. DIXON] was added as a cosponsor of S. 1150, a bill to reauthorize the Higher Education Act of 1965, and for other purposes.

S. 1423

At the request of Mr. DODD, the name of the Senator from Idaho [Mr. SYMMS] was added as a cosponsor of S. 1423, a bill to amend the Securities Exchange Act of 1934 with respect to limited partnership rollups.

S. 1557

At the request of Mr. LAUTENBERG, the name of the Senator from New Jersey [Mr. BRADLEY] was added as a cosponsor of S. 1557, a bill to improve the implementation and enforcement of the Federal cleanup program.

S. 1623

At the request of Mr. DECONCINI, the name of the Senator from New Jersey [Mr. BRADLEY] was added as a cosponsor of S. 1623, a bill to amend title 17, United States Code, to implement a royalty payment system and a serial

copy management system for digital audio recording, to prohibit certain copyright infringement actions, and for other purposes.

S. 1731

At the request of Mr. MCCONNELL, the names of the Senator from Maine [Mr. COHEN], the Senator from Washington [Mr. GORTON], the Senator from Missouri [Mr. BOND], and the Senator from New Mexico [Mr. DOMENICI] were added as cosponsors of S. 1731, a bill to establish the policy of the United States with respect to Hong Kong after July 1, 1997, and for other purposes.

S. 1966

At the request of Mr. BIDEN, the name of the Senator from Arizona [Mr. MCCAIN] was added as a cosponsor of S. 1966, a bill to establish a national background check procedure to ensure that persons working as child care providers do not have a criminal history of child abuse, to initiate the reporting of all State and Federal child abuse crimes, to establish minimum guidelines for States to follow in conducting background checks and provide protection from inaccurate information for persons subjected to background checks, and for other purposes.

S. 2028

At the request of Mr. SPECTER, the names of the Senator from Hawaii [Mr. INOUE], the Senator from Hawaii [Mr. AKAKA], the Senator from Alaska [Mr. STEVENS], and the Senator from Minnesota [Mr. DURENBERGER] were added as cosponsors of S. 2028, a bill to amend title 38, United States Code, to improve and expand health care and health-care related services furnished to women veterans by the Department of Veterans Affairs.

S. 2188

At the request of Mr. SPECTER, the names of the Senator from Wisconsin [Mr. KASTEN], the Senator from Alabama [Mr. SHELBY], and the Senator from Arizona [Mr. MCCAIN] were added as cosponsors of S. 2188, a bill to prohibit the Secretary of Veterans Affairs from obligating funds available to the Department of Veterans Affairs to furnish health care in Department of Veterans Affairs facilities under a rural health care sharing program to persons not eligible for such care under chapter 17 of title 38, United States Code.

S. 2189

At the request of Mr. DECONCINI, the name of the Senator from Utah [Mr. GARN] was added as a cosponsor of S. 2189, a bill to amend the Internal Revenue Code of 1986 to provide a simplified tax on all income, and for other purposes.

S. 2204

At the request of Mr. DURENBERGER, the name of the Senator from Wyoming [Mr. WALLOP] was added as a cosponsor of S. 2204, a bill to amend title 23, United States Code, to repeal the provisions relating to penalties with respect to

grants to States for safety belt and motorcycle helmet traffic safety programs.

S. 2207

At the request of Mr. DODD, the name of the Senator from Rhode Island [Mr. CHAFEE] was added as a cosponsor of S. 2207, a bill to provide for interstate banking and branching.

S. 2227

At the request of Mr. HELMS, the name of the Senator from North Carolina [Mr. SANFORD] was added as a cosponsor of S. 2227, a bill to suspend temporarily the duties on sumatriptan succinate (bulk and dosage forms).

S. 2228

At the request of Mr. HELMS, the name of the Senator from North Carolina [Mr. SANFORD] was added as a cosponsor of S. 2228, a bill to suspend temporarily the duties on ondansetron hydrochloride (bulk and dosage forms).

S. 2229

At the request of Mr. HELMS, the name of the Senator from North Carolina [Mr. SANFORD] was added as a cosponsor of S. 2229, a bill to suspend temporarily the duties on cefuroxime axetil (bulk and dosage forms).

#### SENATE JOINT RESOLUTION 236

At the request of Mr. D'AMATO, the name of the Senator from Louisiana [Mr. JOHNSTON] was added as a cosponsor of Senate Joint Resolution 236, a joint resolution designating the third week in September 1992 as "National Fragrance Week".

#### SENATE JOINT RESOLUTION 243

At the request of Mr. KASTEN, the names of the Senator from Montana [Mr. BURNS], the Senator from Utah [Mr. HATCH], the Senator from Virginia [Mr. WARNER], the Senator from Kansas [Mr. DOLE], and the Senator from Alabama [Mr. HEFLIN] were added as cosponsors of Senate Joint Resolution 243, a joint resolution to designate the period commencing March 8, 1992 and ending on March 14, 1992, as "Deaf Awareness Week".

#### SENATE JOINT RESOLUTION 248

At the request of Mr. CONRAD, the names of the Senator from Hawaii [Mr. AKAKA], the Senator from Arizona [Mr. DECONCINI], the Senator from Arkansas [Mr. BUMPERS], and the Senator from Alaska [Mr. STEVENS] were added as cosponsors of Senate Joint Resolution 248, a joint resolution designating August 7, 1992, as "Battle of Guadalcanal Remembrance Day".

#### SENATE JOINT RESOLUTION 254

At the request of Mr. D'AMATO, the names of the Senator from New Mexico [Mr. DOMENICI], and the Senator from Wyoming [Mr. WALLOP] were added as cosponsors of Senate Joint Resolution 254, a joint resolution commending the New York Stock Exchange on the occasion of its bicentennial.

#### SENATE RESOLUTION 256

At the request of Mr. KASTEN, the name of the Senator from Nebraska

[Mr. KERREY] was added as a cosponsor of Senate Resolution 256, a resolution urging the United States Government to provide, expeditiously and prudently, dairy products and other humanitarian assistance to the republics of the former Soviet Union.

#### AMENDMENT NO. 1649

At the request of Mr. BIDEN the name of the Senator from Minnesota [Mr. WELLSTONE] was added as a cosponsor of amendment No. 1649 proposed to S. 2166, a bill to reduce the Nation's dependence on imported oil, to provide for the energy security of the Nation, and for other purposes.

#### SENATE CONCURRENT RESOLUTION 91—RELATIVE TO SURROGATE BROADCASTING TO ASIA

Mr. PRESSLER submitted the following concurrent resolution; which was referred to the Committee on Foreign Relations:

#### S. CON. RES. 91

Whereas the Foreign Relations Authorization Act for Fiscal Years 1992 and 1993 authorized a commission to examine the feasibility of, and propose a plan to implement surrogate radio broadcasting to the People's Republic of China and other Asian countries which do not enjoy representative government; including the Socialist Republic of Vietnam, the Democratic People's Republic of Korea, and the Lao Democratic Republic;

Whereas the Report of the President's Task Force on United States Government International Broadcasting, submitted in December, 1991, took note of Congressional interest in surrogate broadcasting to Asian nations suffering under totalitarian regimes and found that a great need exists for such service;

Whereas almost one-third of the world's population resides in Asian nations suffering under totalitarian regimes;

Whereas surrogate broadcasts provide an invaluable service by providing news, information, and opinion about countries which a censored, suppressed indigenous press does not provide, and these broadcasts hasten the collapse of totalitarian regimes by providing relevant, truthful information;

Whereas surrogate broadcasting could have the same positive impact on Asian nations suffering under totalitarian regimes;

Whereas inexcusable delays have occurred in the formation of the Commission created by provisions of P.L. 102-138 because those appointees to be named by the President have yet to be named;

Whereas Congress strongly supports international broadcasting by the Voice of America (VOA) and other organizations properly authorized broadcasting responsibilities by the Congress: Now, therefore, be it

*Resolved*, That it is the Sense of the Congress that the Commission created in Section 243 of the Foreign Relations Authorization Act for Fiscal Years 1992 and 1993 should be appointed expeditiously; and be it further

*Resolved*, That Commission report its recommendations and propose a plan for implementation to the Congress and the President no later than 365 days after enactment of P.L. 102-138 (signed by the President on October 28, 1991).

Mr. PRESSLER. Mr. President, the day Vaclav Havel was sworn in as the

President of a newly free Czechoslovakia, he stopped into the offices of Radio Free Europe in Prague to say "thank you." This simple gesture spoke volumes about the impact of Radio Free Europe, a service established by the United States at the dawn of the cold war to provide fair and unbiased news to the peoples of European totalitarianism.

Radio Free Europe and its sister service, Radio Liberty, are known as surrogate services. They were created to provide audiences behind the Iron Curtain with news, information, and opinion about their own countries which a censored and restricted indigenous press would not provide. They have done wonders. Few other U.S. Government endeavors can be said to have done as much to speed the collapse of totalitarian, Communist regimes in Europe.

Today the world is a vastly changed place. This generation of children will not grow up in fear of nuclear war with the Soviet Union and its European satellites. Yet almost one-third of the world's population still live under repressive, totalitarian regimes like those the people of Eastern Europe experienced until recently.

I am speaking of the Governments of China, Laos, Vietnam, and North Korea. The people of these nations do not have access to factual and unbiased information about their own countries and the rest of the world because the Governments of these nations manipulate and control the indigenous press to serve their own ends. The United States filled this information void for Eastern Europe and the Soviet Union. Yet no effort has been made to provide the people of China, Laos, Vietnam, and North Korea—people still without the personal liberty the Eastern Europeans are now discovering—the same factual radio broadcasts to which their European counterparts had access.

Is it not logical that we make every effort to help them realize the dreams symbolized by the makeshift Lady Liberty which was assembled and then smashed in Tiananmen Square in 1989? The dream is about freedom and liberty. Surrogate broadcasting could do so much to encourage democratic forces within these countries.

We are currently broadcasting to China, and several countries of Southeast Asia. However, this service does not provide the kind of information which made such a difference in Europe. I am speaking of the Voice of America, a fine and important service in its own right. VOA provides international news and features aimed at spreading an understanding of the United States and the American way of life. However, it does not provide the alternative to the state-run, highly censored press of China, Vietnam, North Korea, and Laos that could be provided by surrogate broadcasting.

The Senate Foreign Relations Committee addressed this critical need for surrogate broadcasting to Asia in the 1992-93 Foreign Relations Authorization Act. The committee proposed, and the Congress approved, a commission to study the feasibility of broadcasting to China and to make recommendations for the implementation of such a system.

Delays have occurred, and the commission has not been fully assembled or begun its work. These delays are inexcusable. The people of these nations suffer every day under totalitarian regimes. The United States should move swiftly to bring them the same radio broadcasts which gave so much important information to the people of Eastern Europe.

The resolution I am introducing today could help to speed the process. It encourages the appointment of all the commission members, and asks the commission to report its findings within 1 year. It is time to stand up and be counted as a supporter of freedom.

The radio broadcasts to Europe and the Soviet Union did so much to expedite the cause of freedom. We have the chance to do the same for the oppressed peoples of Asia.

We have a proven formula in surrogate broadcasting. In fact, the Foreign Minister of Estonia has nominated Radio Free Europe/Radio Liberty for the Nobel Peace Prize. Let us today resolve to bring the message of freedom to the peoples of China, Vietnam, Laos, and North Korea through surrogate broadcasts.

#### SENATE CONCURRENT RESOLUTION 92—RELATIVE TO THE SAN ANTONIO SUMMIT ON TRADE IN ILLICIT DRUGS

Mr. GRAMM (for himself and Mr. BENTSEN) submitted the following concurrent resolution; which was referred to the Committee on Foreign Relations:

#### S. CON. RES. 92

Whereas drug abuse and drug-related crime remain among the gravest social ills confronting the United States;

Whereas significant progress has been made in reducing over all drug use, especially drug use among young people, as shown by such diverse statistical sources as the National Household Survey, the Drug Abuse Warning Network, and the High School Senior Survey;

Whereas much work remains to be done to reduce the number of addicted drug users, especially drug users addicted to cocaine;

Whereas, under the President's National Drug Control Strategy, interrupting the flow of cocaine into the United States is essential to reducing cocaine use;

Whereas cooperation among the United States, the Andean Strategy nations, and Mexico on such diverse issues as control of precursor chemicals, port control, aerial interdiction, and investigation and prosecution of money laundering is necessary for an effective strategy on reducing the drug supply;



Whereas the Cartagena Summit, in which the leaders of the United States, Colombia, Bolivia, and Peru participated 2 years ago, resulted in progress toward the participants' common goal of stopping the cocaine trade; and

Whereas another summit of the leaders of the United States, Colombia, Bolivia, and Peru, joined by the leaders of Ecuador, Venezuela, and Mexico, will be held in San Antonio, Texas, on February 26 and 27, 1992: Now, therefore, be it

*Resolved by the Senate (the House of Representatives concurring), That it is the sense of the Congress that the President should build upon the success of the Cartagena Summit and use the upcoming San Antonio Summit—*

(1) to reaffirm the mutual commitment of the participating countries to halting the international cocaine trade;

(2) to continue assisting the Andean Strategy nations in their efforts to curtail cocaine production;

(3) to encourage cooperation among the participating countries in dismantling drug trafficking cartels and arresting and incarcerating major traffickers;

(4) to strengthen the legitimate economies of the Andean Strategy nations through trade incentives and other assistance; and

(5) to motivate the participating countries, all of which are victims of drug use, to reduce consumption of illicit drugs within their borders, and thus remove the incentives for the existence of the drug trade.

#### SENATE RESOLUTION 259—RELATIVE TO PROMOTING GOODWILL BETWEEN THE UNITED STATES AND THE COMMONWEALTH OF INDEPENDENT STATES

Mr. MCCONNELL submitted the following resolution; which was referred to the Committee on Foreign Relations:

S. RES. 259

Whereas the United States provided humanitarian assistance to the Soviet Union and its peoples during the 1920s that fed more than 80 million men, women, and children, and prevented more than 10 million Soviet deaths from starvation;

Whereas the Commonwealth of Independent States, comprised of the former Soviet republics (other than the Baltic states and Georgia), was formed following the collapse of the Soviet Union; and

Whereas the United States is currently providing humanitarian assistance to the Commonwealth of Independent States in order to (1) protect human life; (2) promote democracy and free market economies; and (3) secure Soviet nuclear arsenals and technology from proliferation: Now, therefore, be it

*Resolved, That it is the sense of the Senate that, in exchange for United States foreign assistance, the appropriate agencies, organizations, and officials of the constituent republics of the Commonwealth of Independent States should fully cooperate with appropriate United States governmental agencies to provide any and all information on Edward Lee Howard and Felix S. Bloch and other United States citizens suspected or convicted of espionage against the United States.*

• Mr. MCCONNELL. Mr. President, Secretary Baker recently testified be-

fore the Senate Foreign Relations Committee on United States assistance to the former Soviet Union. His comments on the importance of this aid are shared by many in Congress, including myself.

Last month, I read in the Washington Post an article which detailed American assistance to the Soviet Union in the early 1920's. Tons of food and medical supplies were delivered to that country in response to a poor wheat crop and ineffective distribution systems. It is estimated our aid saved millions of Soviet lives.

Some things haven't changed in seven decades, Mr. President. Once again, American food and medical supplies are being sent to that region. Once again, the generosity and compassion of our country is being demonstrated.

The resolution I offer today expresses the sense of the Senate that in return for United States assistance, the Commonwealth of Independent States [CIS] should fully cooperate with United States intelligence agencies to provide information on any and all Americans suspected or convicted of committing treason against the United States.

It is interesting to note that in extending aid to the Soviets in the 1920's, President Harding requested—and received—the release of American soldiers taken prisoner shortly after World War I. Russia revealed that dire economic conditions could dictate cooperation with America.

The resolution specifically mentions two ongoing investigations the Federal Bureau of Investigation [FBI] is conducting. Edward Lee Howard, a former Central Intelligence Agency employee, and Felix S. Bloch, a former State Department official, are suspected of providing Soviet intelligence authorities with United States national secrets during the 1980's. With the CIS's cooperation, we can close these cases and resolve doubts about treason against the United States.

Mr. President, the former head of the FBI's intelligence division expressed this very idea shortly before his death in September 1991. Thomas E. DuHadway remarked to the Los Angeles Times:

If [the Soviets] want this massive aid—and I'm not saying we shouldn't give it to them—there are reasonable *quid pro quos* that people would ask for, and I don't think [information on Howard and Bloch] are unreasonable at all.

I should point out that this legislation will not delay or condition United States assistance to the former Soviet Union. However, a unique opportunity exists for the Senate to express its support of continued cooperation with the CIS while making clear our concerns with the outstanding cases against Edward Lee Howard and Felix S. Bloch. I ask my colleagues what better a test of cooperation and goodwill for the CIS

than to gauge their willingness to provide information on individuals convicted or suspected of spying against our country.

I urge my colleagues to support this bill. •

#### AMENDMENTS SUBMITTED

##### HIGHER EDUCATION ACT AMENDMENTS

##### SPECTER (AND OTHERS) AMENDMENT NO. 1652

Mr. SPECTER (for himself, Mr. SHELBY, Mr. MCCAIN, and Mr. DECONCINI) submitted an amendment intended to be proposed by them to the bill (S. 1150) to reauthorize the Higher Education Act of 1965, and for other purposes, as follows:

On page 607, below line 18, add the following new title:

##### TITLE XVI—MISCELLANEOUS

##### SEC. 1601. PROHIBITIONS RELATING TO THE PROVISION OF CERTAIN HEALTH CARE UNDER SHARING PROGRAM.

(a) PROHIBITION.—Notwithstanding section 8153 of title 38, United States Code, or any other provision of law, the Secretary of Veterans Affairs may not furnish, and funds appropriated or otherwise made available to the Department of Veterans Affairs (including funds paid to the Department by the Department of Health and Human Services) may not be used by the Secretary to furnish, hospital care or medical services under the program referred to in subsection (b) to any person who is not eligible to be furnished such care or services under chapter 17 of title 38, United States Code.

(b) COVERED PROGRAM.—The prohibition referred to in subsection (a) applies to the demonstration project for the furnishing of health care in certain rural facilities of the Department entered into between the Secretary and the Secretary of Health and Human Services that is commonly known as the Rural Health Care Initiative.

In section 1(b), amend the table of contents by adding after the item relating to section 1506 the following new matter:

##### TITLE XVI—MISCELLANEOUS

##### Sec. 1601. Prohibitions relating to the provision of certain health care under sharing program.

##### HELMS AMENDMENT NO. 1653

Mr. HELMS proposed an amendment to the bill S. 1150, *supra*, as follows:

At the appropriate place, insert the following:

##### Sec. . PROHIBITION ON CERTAIN USES OF FUNDING.

Part G of the Drug-Free Schools and Communities Act of 1986 (20 U.S.C. 3231 et seq.) is amended by inserting at the end the following new section:

##### "SEC. 5194. PROHIBITION ON CERTAIN USES OF FUNDING.

"(a) PROHIBITION.—None of the funds authorized to be appropriated by this title may be used by any recipient of funds under this title to pay for homosexual support or education services, or to promote or encourage, either directly or indirectly, intravenous

drug abuse or homosexual, bisexual, or heterosexual sexual activity, whether premarital or extramarital. No youth shall be deemed at risk of substance abuse solely on the basis of the youth's homosexuality.

#### FORD (AND MCCONNELL) AMENDMENT NO. 1654

Mr. FORD (for himself and Mr. MCCONNELL) proposed an amendment to the bill S. 1150, supra, as follows:

On page 197, strike lines 6 through 22, and insert in lieu thereof the following:

(2) by striking out subparagraph (C) of subsection (d)(1) and inserting in lieu thereof the following new subparagraph:

"(C)(i) to buy, sell, hold, insure, underwrite, and otherwise deal in obligations issued for the purpose of financing or refinancing the construction, reconstruction, renovation, improvement or purchase (including the underlying property) of—

"(I) educational and training facilities;

"(II)(aa) housing for students and faculties;

"(III) academic, research, and library facilities including the acquisition of library materials; and

"(IV) related equipment, instrumentation, and furnishings; except that not more than 30 percent of the value of transactions entered into under this clause shall involve transactions solely of the type described in subclause (II);";

#### DOLE AMENDMENT NOS. 1655 THROUGH 1658

Mr. DOLE proposed four amendments to the bill S. 1150, supra, as follows:

##### AMENDMENT NO. 1655

On page 564, strike lines 8 and 9 and insert the following: by adding at the end the following new subsections:

"(i) **DISABILITY**.—The term 'disability' has the meaning given the term in section 3(2) of the Americans with Disabilities Act of 1990 (42 U.S.C. 12102(2)).

"(j) **STATE HIGHER EDUCATION AGENCY**.—The term

##### AMENDMENT NO. 1656

On page 561, between lines 3 and 4, insert the following:

"(13)(A) Problems faced by individuals with disabilities regarding accessibility to institutions of higher education and other public and private community facilities.

"(B) Amelioration of existing attitudinal barriers that prevent full inclusion by individuals with disabilities with their community.

##### AMENDMENT NO. 1657

Beginning on page 241, strike line 20 and all that follows through page 242, line 3, and insert the following:

(a) **IN GENERAL**.—Section 472 of the Act (20 U.S.C. 108711) is amended—

(1) in the matter preceding paragraph (1) by inserting "(a) **DEFINITION OF COST OF ATTENDANCE**.—" before "For the purpose";

(2) in subsection (a) (as so designated by paragraph (1))—

(A) in the matter preceding paragraph (1) by striking "except for subpart 1 of part A and";

(B) in paragraph (6), by striking "in an academic program which normally includes a formal program of study abroad" and inserting "in a program of study abroad approved for credit by the student's home institution"; and

(C) in paragraph (8)—

(i) by striking "handicapped student" and inserting "student with a disability"; and

(ii) by inserting "personal assistance," after "service,"; and

(3) by adding at the end the following new subsection:

"(b) **DEFINITION OF PERSONAL ASSISTANCE**.—As used in subsection (a), the term 'personal assistance' means assistance by a person to an individual with tasks that the individual would typically do if the individual did not have a disability and that are necessary to enable the individual with a disability to participate fully in postsecondary opportunities, including assisting the individual with major life activities."

##### AMENDMENT NO. 1658

On page 396, between lines 2 and 3, insert the following:

"Subpart 3—Faculty Development Grants

##### "SEC. 567. TRAINING GRANTS.

"(a) **GRANTS AUTHORIZED**.—The Secretary is authorized to award grants to institutions of higher education to enable such institutions to—

"(1) develop model program that provide training to secondary school faculty to prepare students with disabilities for postsecondary educational opportunities; and

"(2) establish program of faculty development for faculty who teach in an institution of higher education to prepare such faculty for the enrollment of students with disabilities at such institution.

"(b) **USE OF GRANTS**.—The grants described in subsection (a) may be used to—

"(1) provide scholarships, including stipends and allowances, to faculty described in paragraph (1) or (2) of subsection (a);

"(2) develop materials and inservice programs to assist such faculty in making the curriculum at an institution of higher education accessible to students with disabilities; and

"(3) provide funds to support the release of such faculty from teaching assignments for the purpose of educating such faculty regarding the needs of students with disabilities.

"(c) **SPECIAL RULES**.—The Secretary shall ensure that grants awarded under subsection (a)(1) are used for programs that are in compliance with State and professionally recognized standards for the training of special education personnel.

"(d) **APPLICATION**.—Each institution of higher education desiring a grant under this section shall submit an application to the Secretary at such time, in such manner and accompanied by such information as the Secretary may reasonably require.

"(e) **AUTHORIZATION OF APPROPRIATIONS**.—There are authorized to be appropriated to carry out this subpart \$15,000,000 for fiscal year 1993 and such sums as may be necessary for each of the 4 succeeding fiscal years.

#### LAUTENBERG (AND LEAHY) AMENDMENT NO. 1659

Mr. LAUTENBERG (for himself and Mr. LEAHY) proposed an amendment to the bill S. 1150, supra, as follows:

At the end of the bill, add the following new titles:

##### TITLE XVI—NATIONAL COMMISSION ON THE COST OF HIGHER EDUCATION

##### SEC. 1601. ESTABLISHMENT OF COMMISSION.

There is established a Commission to be known as the "National Commission on the Cost of Higher Education" (hereafter in this title referred to as the "Commission").

##### SEC. 1602. MEMBERSHIP OF COMMISSION.

(a) **APPOINTMENT**.—The Commission shall be composed of 12 members as follows:

(1) Four citizens of the United States appointed by the President.

(2) Two Senators appointed by the Majority Leader of the Senate, of which—

(A) one shall be a member of the Committee on Labor and Human Resources of the Senate; and

(B) one shall be a member of the Committee on Appropriations of the Senate.

(3) Two Senators appointed by the Majority Leader of the Senate, of which—

(A) one shall be a member of the Committee on Labor and Human Resources of the Senate; and

(B) one shall be a member of the Committee on Appropriations of the Senate.

(4) Two Members of the House of Representatives appointed by the Speaker of the House of Representatives, of which—

(A) one shall be a member of the Committee on Education and Labor of the House of Representatives; and

(B) one shall be a member of the Committee on Appropriations of the House of Representatives.

(5) Two Members of the House of Representatives appointed by the Majority Leader of the House of Representatives, of which—

(A) one shall be a member of the Committee on Education and Labor of the House of Representatives; and

(B) one shall be a member of the Committee on Appropriations of the House of Representatives.

(b) **ADDITIONAL QUALIFICATIONS**.—

(1) **PRESIDENTIAL APPOINTEES**.—An individual appointed under subsection (a)(2) may not be an officer or an employee of the Executive Branch.

(2) **CITIZENS**.—Individuals who are not Members of the Congress and are appointed under paragraphs (3) through (6) of subsection (a) shall be individuals who—

(A) have extensive knowledge of higher education and its financing and who are leaders of the education community, distinguished academics, State or local government officials, students, parents of college students, members of the business community, or other individuals with distinctive qualifications or experience; and

(B) are not officers or employees of the United States.

(c) **CHAIRPERSON AND VICE CHAIRPERSON**.—The members of the Commission shall elect a Chairman and a Vice Chairperson. In the absence of the Chairperson, the Vice Chairperson will assume the duties of the Chairperson.

(d) **QUORUM**.—A majority of the members of the Commission shall constitute a quorum for the transaction of business.

(e) **APPOINTMENTS**.—All appointments under subsection (a) shall be made within 3 months after the date of enactment of this Act.

(f) **VOTING**.—Each member of the Commission shall be entitled to one vote, which shall be equal to the vote of every other member of the Commission.

(g) **VACANCIES**.—Any vacancy on the Commission shall not affect its powers, but shall be filled in the manner in which the original appointment was made.

(h) **PROHIBITION OF ADDITIONAL PAY**.—Members of the Commission shall receive no additional pay, allowances, or benefits by reason of their service on the Commission. Members appointed from among private citizens of the United States may be allowed travel ex-



penses, including per diem, in lieu of subsistence, as authorized by law for persons serving intermittently in the government service to the extent funds are available for such expenses.

#### SEC. 1603. FUNCTIONS OF COMMISSION.

(A) SPECIFIC FINDINGS AND RECOMMENDATIONS.—The Commission shall study and make findings and specific recommendations regarding the following:

(1) The increase in tuition costs compared with other commodities and services as well as methods of reducing increased tuition costs.

(2) Trends in college and university administrative costs as well as other costs and means of reducing such increased costs.

(3) The development of a standardized annual report that colleges and universities shall distribute which details the administrative costs, instructional costs and capital costs of such colleges and universities in order to carry out section 1701.

(4) The extent to which Federal, State and local regulations contribute to increased tuition costs and the increase in the cost of higher education.

(5) The establishment of a mechanism for a more timely and widespread distribution of data on tuition trends and other costs of operating colleges and universities.

(6) The extent to which the lack of student financial assistance programs has contributed to increased tuition costs.

(7) Other related topics determined to be appropriate by the Commission.

#### (b) FINAL REPORT.—

(1) IN GENERAL.—Subject to paragraph (2), the Commission shall submit to the President and to the Congress not later than September 1, 1994, a report which shall contain a detailed statement of the findings and conclusions of the Commission, including the Commission's recommendations for administrative and legislative action that the Commission considers advisable.

(2) MAJORITY VOTE REQUIRED FOR RECOMMENDATIONS.—Any recommendation described in paragraph (1) shall be made by the Commission to the President and to the Congress only if such recommendation is adopted by a majority vote of the members of the Commission who are present and voting.

#### SEC. 1604. POWERS OF COMMISSION.

(a) HEARINGS.—The Commission may, for the purpose of carrying out this title, hold such hearings and sit and act at such times and places, as the Commission may find advisable.

(b) RULES AND REGULATIONS.—The Commission may adopt such rules and regulations as may be necessary to establish the Commission's procedures and to govern the manner of the Commission's operations, organization, and personnel.

#### (c) ASSISTANCE FROM FEDERAL AGENCIES.—

(1) INFORMATION.—The Commission may request from the head of any Federal agency or instrumentality such information as the Commission may require for the purpose of this title. Each such agency or instrumentality shall, to the extent permitted by law and subject to the exceptions set forth in section 552 of title 5, United States Code (commonly referred to as the Freedom of Information Act), furnish such information to the Commission, upon request made by the Chairperson of the Commission.

(2) FACILITIES AND SERVICES, PERSONNEL DETAIL AUTHORIZED.—Upon request of the Chairperson of the Commission, the head of any Federal agency or instrumentality shall, to the extent possible and subject to the discretion of such head—

(A) make any of the facilities and services of such agency or instrumentality available to the Commission; and

(B) detail any of the personnel of such agency or instrumentality to the Commission, on a nonreimbursable basis, to assist the Commission in carrying out the Commission's duties under this title, except that any expenses of the Commission incurred under this subparagraph shall be subject to the limitation on total expenses set forth in section 1605(b).

(d) MAILS.—The Commission may use the United States mails in the same manner and under the same conditions as other Federal agencies.

(e) CONTRACTING.—The Commission, to such extent and in such amounts as are provided in appropriation Acts, may enter into contracts with State agencies, private firms, institutions, and individuals for the purpose of conducting research or surveys necessary to enable the Commission to discharge the Commission's duties under this title, subject to the limitation on total expenses set forth in section 1605(b).

(f) STAFF.—Subject to such rules and regulations as may be adopted by the Commission, the Chairperson of the Commission (subject to the limitation on total expenses set forth in section 1605(b)) shall have the power to appoint, terminate, and fix the compensation (without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title, or of any other provision, or of any other provision of law, relating to the number, classification, and General Schedule rates) of an Executive Director, and of such additional staff as the Chairperson deems advisable to assist the Commission, at rates not to exceed a rate equal to the maximum rate for level IV of the Executive Schedule under section 5332 of such title.

(g) ADVISORY COMMITTEE.—The Commission shall be considered an advisory committee within the meaning of the Federal Advisory Committee Act (5 U.S.C. App.) and shall be independent from the Executive Branch.

#### SEC. 1605. EXPENSES OF COMMISSION.

(a) IN GENERAL.—Any expenses of the Commission shall be paid from such funds as may be available to the Secretary of the Treasury.

(b) LIMITATION.—The total expenses of the Commission shall not exceed \$2,000,000.

(c) GAO AUDIT.—Prior to the termination of the Commission pursuant to section 1606, the Comptroller General of the United States shall conduct an audit of the financial books and records of the Commission to determine that the limitation on expenses has been met, and shall include the Comptroller General's determination in an opinion to be included in the report of the Commission.

#### SEC. 1606. TERMINATION OF COMMISSION.

The Commission shall cease to exist on the date that is 90 days after the date on which the Commission submits its report.

#### TITLE XVII—AMENDMENTS TO THE HIGHER EDUCATION ACT OF 1965

#### SEC. 1701. DISCLOSURE OF TUITION, ADMINISTRATIVE COSTS, INSTRUCTIONAL COSTS AND CAPITAL COSTS.

(a) DISCLOSURE REQUIREMENTS.—Section 485 of the Higher Education Act of 1965 (20 U.S.C. 1092) is amended by adding at the end thereof the following new subsection:

"(g) DISCLOSURE OF PARENT/STUDENT RIGHT TO KNOW STATISTICS.—(1) Each eligible institution participating in any program under this Act shall collect information with re-

spect to administrative costs, instructional costs and capital costs, and annually prepare, publish, and distribute, through appropriate publications or mailings, to all current students, and to any applicant for enrollment or upon request, members of the public, an annual report on such costs.

"(2) Upon the request of the Secretary, each institution participating in any program under this Act shall submit to the Secretary a copy of the report required to be made available under paragraph (1). The Secretary shall review such reports and shall report to the Committee on Education and Labor and the Committee on Appropriations of the House of Representatives, and the Committee on Labor and Human Resources and Committee on Appropriations of the Senate on the content of such reports.

"(3) The Secretary, after receiving recommendations from the Commission, shall solicit public comment and promulgate rules to implement this subsection.

"(4) Nothing in this subsection shall be construed to authorize the Secretary to require particular policies, procedures, or practices by institutions of higher education with respect to tuition costs, administrative costs, instructional costs, and capital costs."

#### SEC. 1702. PROGRAM PARTICIPATION AGREEMENT REQUIREMENTS.

(a) IN GENERAL.—Subsection (a) of section 487 of the Higher Education Act of 1965 (20 U.S.C. 1094(a)) is amended by adding at the end thereof the following new paragraph:

"(13) The institution has complied with the disclosure requirements of section 485(g)."

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall become effective 90 days after the issuance of the regulations described in section 485(g)(3) of the Higher Education Act of 1965.

#### TITLE XVIII—RESOURCE SHARING GRANTS

#### SEC. 1801. RESOURCE SHARING GRANTS.

##### (a) GRANTS AUTHORIZED.—

(1) IN GENERAL.—The Secretary is authorized to award grants, on a competitive basis, to States, local governments, or consortia of universities and colleges to enable such States, local governments or consortia thereof to establish resource sharing plans that are designed to—

(A) prevent unnecessary duplication of existing resources.

(B) reduce the long-term cost of tuition at colleges and universities; and

(C) establish cost containment mechanisms for the costs described in subparagraph (A).

(2) GRANT DISTRIBUTION.—The Secretary shall award at least 5 grants pursuant to paragraph (1) to at least 5 different States or consortia thereof.

(b) USE OF FUNDS.—Funds shall be used to carry out the plans described in this section.

(c) APPLICATION.—Each State or consortium thereof desiring a grant under this section shall submit an application to the Secretary at such time, in such manner and accompanied by such information as the Secretary may reasonably require.

(d) DEFINITIONS.—For the purpose of this section—

(1) the term "Secretary" means the Secretary of Education; and

(2) the term "State" means each of the 50 States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, American Samoa, Guam, the Commonwealth of the Northern Mariana Islands, the Federated States of Micronesia, and the Republic of Palau (until the Compact of Free Association is ratified).

(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated \$15,000,000 for fiscal year 1993 and such sums as may be necessary for each of the 6 succeeding fiscal years thereafter to carry out this section.

#### DECONCINI AMENDMENTS NOS. 1660 AND 1661

Mr. PELL (for Mr. DECONCINI) proposed two amendments to the bill S. 1150, *supra*, as follows:

##### AMENDMENT NO. 1660

Beginning on page 332 of the Committee amendment, strike line 23 and all that follows through page 333, line 2, and insert the following:

"(5)(A) establish requirements for the maintenance by an institution of higher education of sufficient cash reserves to ensure repayment of any required refunds; and

"(B) provide for a process under which the Secretary shall exempt an institution of higher education from the requirements described in subparagraph (A) if the Secretary determines that the institution—

"(i) is located in a State that has a tuition recovery fund such that the institution meets the requirements of subparagraph (A);

"(ii) contributes to the fund; and

"(iii) otherwise has legal authority to operate within the State; and

##### AMENDMENT NO. 1661

On page 299, line 24, insert "(a) IN GENERAL.—" before "Subsection".

On page 303, between lines 16 and 17, insert the following:

(b) CONSTRUCTION.—Section 487 of the Act, as amended by subsection (a), is further amended by adding at the end the following:

"(e) CONSTRUCTION.—Nothing in the amendments made by the Higher Education Amendments of 1991 shall be construed to prohibit an institution from recording, at the cost of the institution, a hearing referred to in subsection (b)(2), subsection (c)(1)(D), or subparagraph (A) or (B)(i) of subsection (c)(2), of section 487 to create a record of the hearing. The Secretary shall allow the institution to use any reasonable means, including stenographers, of recording the hearing."

#### KASSEBAUM (AND HATCH) AMENDMENT NO. 1662

Mr. PELL (for Mrs. KASSEBAUM, for herself and Mr. HATCH) proposed an amendment to the bill S. 1150, *supra*, as follows:

On page 11, strike the item relating to section 311.

On page 11, redesignate the items relating to sections 312 through 314 as the items relating to sections 311 through 313.

On page 53, strike lines 5 through 14.

On page 53, line 15, strike "312" and insert "311".

On page 53, line 18, strike "313" and insert "312".

On page 53, line 23, strike "314" and insert "313".

On page 83, line 17, strike "The" and insert "(A) Except as provided in subparagraph (B), the"

On page 83, between lines 22 and 23, insert the following:

"(B) SPECIAL RULE.—The Secretary is not required to provide assistance to a program otherwise eligible for assistance under this

subpart pursuant to subparagraph (A), if the Secretary is in receipt of evidence indicating that such program has involved the fraudulent use of funds under this subpart.

On page 84, line 6, strike "10" and insert "8".

On page 84, line 16, strike "10" and insert "8".

On page 192, line 3, insert ", except that in no case shall this paragraph apply to any borrower whose loan has been discharged through an action in bankruptcy" before the period.

#### GRAHAM AMENDMENT NO. 1663

Mr. PELL (for Mr. GRAHAM) proposed an amendment to the bill S. 1150, *supra*, as follows:

On page 585, line 7, strike "and".

On page 585, line 12, strike the period and insert a semicolon and "and".

On page 585, between lines 12 and 13, insert the following:

"(E) identify the reasons for which participants in the program have chosen to take part in such program; and

"(F) identify other areas of community service or employment which may serve as appropriate methods of loan repayment.

#### MITCHELL AMENDMENT NO. 1664

Mr. PELL (for Mr. MITCHELL) proposed an amendment to the bill S. 1150, *supra*, as follows:

On page 596, between lines 10 and 11, insert the following:

SEC. 1302. NATIONAL COMMISSION ON INDEPENDENT EDUCATION.

Title XIII of the Higher Education Amendments of 1986 is amended by adding at the end the following new part:

#### "PART J—NATIONAL COMMISSION ON INDEPENDENT EDUCATION

##### "SEC. 1391. SHORT TITLE.

"This part may be cited as the 'National Independent Colleges and Universities Discovery Act'.

##### "SEC. 1392. FINDINGS.

"The Congress finds that—

"(1) the quality and scope of higher education in our Nation is without argument the finest in the world, and a distinguishing feature of our Nation's system of higher education is its strong and diverse nonprofit independent sector;

"(2) independent colleges and universities are as diverse as the Nation itself and include traditional liberal arts institutions, major research universities, church- and faith-related colleges, colleges and universities primarily attended by minorities, women's colleges, junior colleges, and schools of law, medicine, engineering, business and other professions;

"(3) the diversity of independent colleges and universities offers students a choice in the type of educational experience that will best serve such students' interests, needs and aspirations;

"(4) independent colleges and universities enroll 21 percent of all students in the United States, award 33 percent of all bachelor's degrees in the United States, 42 percent of all such master's degrees, 36 percent of all such doctoral degrees, and 59 percent of all such professional degrees;

"(5) a majority of all undergraduate students attending independent colleges and universities receive some form of financial assistance, and such independent colleges

and universities provide such financial assistance from their own resources;

"(6) independent colleges and universities are deeply involved in hundreds of partnerships with elementary and secondary schools, and such partnerships are largely funded by such colleges and universities;

"(7) independent colleges and universities have been an extraordinary example of private-public partnerships, with such colleges and universities operating in the public interest to provide a public good;

"(8) less than 20 percent of the revenue of independent colleges and universities comes from governmental funds, most of which is in the form of Federal and State financial aid;

"(9) decreases in Federal and State support for student financial aid programs has placed at risk the option of choosing an independent college or university for an increasing number of students;

"(10) whereas at the turn of the twentieth century 80 percent of the students enrolled in higher education in the United States were enrolled in independent colleges and universities, such percentage has now declined to 21 percent, and further erosions place at risk the option of choosing an independent college or university for students and parents; and

"(11) the entire sector of independent colleges and universities and the important contributions such sector makes to our Nation is at risk and deserves national policy attention.

##### "SEC. 1393. PURPOSE.

"It is the purpose of this part to establish a National Commission on Independent Higher Education.

##### "SEC. 1394. NATIONAL COMMISSION ON INDEPENDENT HIGHER EDUCATION.

"(a) ESTABLISHMENT.—There is established as an independent agency in the executive branch a commission to be known as the National Commission on Independent Higher Education (hereafter in this Act referred to as the 'Commission').

##### "(b) MEMBERSHIP.—

"(1) COMPOSITION.—The Commission shall be composed of 9 members, 3 of whom shall be appointed by the President, 3 of whom shall be appointed by the Speaker of the House of Representatives, and 3 of whom shall be appointed by the Majority Leader of the Senate.

"(2) EXPERTISE REQUIREMENT.—The members of the Commission shall consist of individuals with expertise and experience in independent higher education, including expertise in national tax policy, individuals with expertise in State higher education finance, individuals with expertise in Federal financial aid programs, individuals with expertise in issues of student and faculty diversity, and individuals with expertise in graduate education and research.

"(3) DATE.—The members of the Commission shall be appointed not later than 6 months after the date of enactment of this Act.

"(c) PERIOD OF APPOINTMENT; VACANCIES.—Members of the Commission shall be appointed for the life of the Commission. Any vacancy in the Commission shall not affect its powers, but shall be filled in the same manner as the original appointment.

"(d) MEETINGS.—The Commission shall meet at the call of the Chairman.

"(e) QUORUM.—Six of the members of the Commission shall constitute a quorum, but a lesser number of members may hold hearings.

"(f) CHAIRMAN.—The Commission shall select a Chairman from among its members.



**"SEC. 1395. DUTIES OF THE COMMISSION.**

"The Commission shall—

"(1) develop a factual base for understanding the status of independent colleges and universities, their contributions to public priorities, and the effects of national higher education policies on the independent non-profit sector;

"(2) review the issuance of Federal regulations regarding independent colleges and universities, and suggest means by which independent colleges and universities can be held accountable for use of public resources without inappropriate intrusion into institutional autonomy; and

"(3) address the relation between Federal and State policies on independent colleges and universities, particularly with respect to student access and choice, finance, institutional subsidies, and institutional accountability.

**"SEC. 1396. REPORT AND RECOMMENDATIONS.**

"(a) **INTERIM REPORT.**—The Commission shall submit an interim report to the president and the Congress on the Commission's activities and findings within 18 months of the date of enactment of this Act.

"(b) **FINAL REPORT.**—

"(1) **IN GENERAL.**—The Commission shall submit a final report to the President and the Congress on the Commission's activities and findings within 3 years of the date of enactment of this Act.

"(2) **RECOMMENDATION.**—The report described in paragraph (1) shall contain a recommendation regarding the establishment of a national policy on independent colleges and universities appropriate to meeting the Nation's higher educational goals in the twenty-first century.

**"SEC. 1397. POWERS OF THE COMMISSION.**

"(a) **HEARINGS.**—The Commission may hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence as the Commission considers advisable to carry out the purposes of this part.

"(b) **INFORMATION FROM FEDERAL AGENCIES.**—The Commission may secure directly from any Federal department or agency such information as the Commission considers necessary to carry out the provisions of this part. Upon request of the Chairman of the Commission, the head of such department or agency shall furnish such information to the Commission.

"(c) **GIFTS.**—The Commission may accept, use, and dispose of gifts or donations of services or property.

**"SEC. 1398. COMMISSION PERSONNEL MATTERS.**

"(a) **TRAVEL EXPENSES.**—From amounts available to the Secretary of Education, the members of the Commission shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter I of chapter 57 of title 5, United States Code, while away from their homes or regular places of business in the performance of services for the Commission.

"(b) **DETAIL OF GOVERNMENT EMPLOYEES.**—Any Federal Government employee may be detailed to the Commission without reimbursement, and such detail shall be without interruption or loss of civil service status or privilege.

"(c) **STAFF.**—

"(1) **IN GENERAL.**—The Chairman of the Commission may, without regard to the civil service laws and regulations, appoint and terminate an executive director and not more than 2 staff members to enable the Commission to perform its duties. The employment of an executive director shall be subject to confirmation by the Commission.

"(2) **COMPENSATION.**—The Chairman of the Commission may fix the compensation of the executive director and not more than 2 staff members without regard to the provisions of chapter 51 and subchapter III of chapter 53 of title 5, United States Code, relating to classification of positions and General Schedule pay rates, except that the rate of pay for the executive director and such staff may not exceed the rate payable for level 15 of the General Schedule classified under section 5107 of such title.

**"SEC. 1399. TERMINATION OF THE COMMISSION.**

"The Commission shall terminate 3 years after the date of enactment of this Act."

On page 14, after the item relating to section 1301, insert the following:

Sec. 1302. National Commission on Independent Education.

**BIDEN AMENDMENT NO. 1665**

Mr. PELL (for Mr. BIDEN) proposed an amendment to the bill S. 1150, supra, as follows:

On page 294, line 18, strike "and".

On page 296, line 2, strike the end quotation marks and the second period and insert a semicolon and "and".

On page 296, between lines 2 and 3, insert the following:

(3) in subsection (f), by adding at the end the following new paragraph:

"(7)(A) Each institution of higher education participating in any program under this title shall develop and distribute as part of the report described in paragraph (1) a statement of policy regarding—

"(i) such institution's campus sexual assault programs which shall be aimed at prevention of sex offenses; and

"(ii) the procedures followed once a sex offense has occurred.

"(B) The policy described in subparagraph (A) shall address the following areas:

"(i) Education programs to promote the awareness of rape, acquaintance rape, and other sex offenses.

"(ii) Procedures students should follow if a sex offense occurs, including who should be contacted and to whom the alleged offense should be reported.

"(iii) Procedures for on-campus disciplinary action in cases of alleged sexual assault which shall include—

"(I) a clear statement that the institution will impose sanctions on students and employees, and a description of those sanctions;

"(II) a clear statement that the accuser and the accused are entitled to the same opportunities to have others present during a campus disciplinary proceeding; and

"(III) a clear statement that both the accuser and the accused shall be informed of the outcome of any campus disciplinary proceeding brought alleging a sexual assault.

"(iv) Notification of victims of sexual assault of the applicable legal sanctions under Federal, State or local law for sexual assault.

"(v) Informing students of their options to notify proper law enforcement authorities, both on campus and local police, and the option to be assisted by campus authorities in notifying such authorities, if the student so chooses.

"(vi) Notification of students of existing counseling, mental health or student services for victims of sexual assault, both on campus and in the community.

"(vii) Notification of students of options for and available assistance in, if so requested by the victim, changing academic

and living situations subsequent to an alleged sexual assault incident.

"(C) Nothing in this paragraph shall be construed to confer a private right of action upon any person to enforce the provisions of this paragraph."

**LIEBERMAN AMENDMENT NO. 1666**

Mr. PELL (for Mr. LIEBERMAN) proposed an amendment to the bill S. 1150, supra, as follows:

On page 132, line 4, strike the end quotation marks and the second period.

On page 132, between lines 4 and 5, insert the following:

"Subpart 12—Training Grants for Community College and Small Business Consortia

**"SEC. 420DD. FINDINGS.**

"The Congress finds that—

"(1) small businesses provide most entry-level jobs in the United States but often lack the resources to provide needed worker education and training;

"(2) there is a growing mismatch between worker skills and workplace demands that has a greater impact on small businesses than on large businesses;

"(3) many employees of small businesses need both literacy and English-as-a-second language training, and skills training, in order to meet the needs of business;

"(4) joint education and training programs help share the risks of training, increase the number of the skilled workers available to small businesses, and allow more cost-effective development of training materials; and

"(5) many small businesses subcontract with large businesses that can provide valuable training advice to the small business.

**"SEC. 420EE. PROGRAM AUTHORIZED.**

"(a) **IN GENERAL.**—The Secretary, in consultation with the Administrator of the Small Business Administration and the Secretaries of Labor and Commerce, is authorized to make not more than 40 grants to community colleges participating in an eligible consortium to pay part or all of the costs of developing and providing training and retraining programs which meet the existing and changing needs of the eligible consortium's workers, especially nonsupervisory workers.

"(b) **AMOUNT.**—The Secretary shall not award a grant under this subpart in an amount which exceeds \$500,000.

"(c) **PROCEDURES AND CRITERIA.**—The Secretary shall establish procedures and criteria for awarding grants under this subpart on a competitive merit basis.

**"SEC. 420FF. ELIGIBLE CONSORTIUM.**

"For the purpose of this subpart of term 'eligible consortium' means an accredited community college in consortium with two or more small businesses. The small businesses described in the preceding sentence shall—

"(1) be in the same industry;

"(2) use the same technology; and

"(3) have common educational needs.

**"SEC. 420GG. APPLICATION.**

"(a) **IN GENERAL.**—Each community college desiring a grant under this subpart shall submit an application to the Secretary at such time, in such manner and accompanied by such information as the Secretary may reasonably require.

"(b) **CONTENTS.**—Each application submitted pursuant to subsection (a) shall describe—

"(1) the activities and services for which assistance is sought, which shall include technology training, basic skills training, or English-as-a-second language training;

"(2) the membership of the eligible consortium including, where applicable, a description of the large businesses that contract with the small businesses participating in the consortium and have training expertise to share with the same businesses;

"(3) the education and training needs of the eligible consortium; and

"(4) the source of the non-Federal share of costs of the training and retraining programs, including a description of any system of fees which may be used by the eligible consortium to support or partially support the training or retraining program.

"(c) APPROVAL.—The Secretary shall appoint a technical review panel to—

"(1) establish competitive selection criteria based on the contents of the application described in subsection (b);

"(2) select and approve applications under this subpart based on the selection criteria established pursuant to paragraph (1); and

"(3) make recommendations to the Secretary regarding the awarding of grants under this subpart.

"(d) PREFERENCE.—The panel described in subsection (c) shall give preference to applications that demonstrate a commitment to continue the training and retraining program after the termination of assistance provided under this subpart.

"(e) SPECIAL RULE.—The panel described in subsection (c) shall only approve applications under this subpart from eligible consortia which demonstrate the ability to provide effective training and retraining programs.

#### "SEC. 420HH. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated \$5,000,000 for fiscal year 1993 and each of the 6 succeeding fiscal years to carry out the provisions of this subpart."

#### BIDEN AMENDMENT NO. 1667

Mr. PELL (for Mr. BIDEN) proposed an amendment to the bill S. 1150, supra, as follows:

On page 294, line 18, strike "and".

On page 296, line 2, strike the end quotation marks and the second period and insert a semicolon and "and".

On page 296, between lines 2 and 3, insert the following:

(3) in subsection (f), by adding at the end the following new paragraph:

"(7)(A) Each institution of higher education participating in any program under this title shall develop and distribute as part of the report described in paragraph (1) a statement of policy regarding—

"(i) such institution's campus sexual assault programs which shall be aimed at prevention of sex offenses; and

"(ii) the procedures followed once a sex offense has occurred.

"(B) The policy described in subparagraph (A) shall address the following areas:

"(i) Education programs to promote the awareness of rape, acquaintance rape, and other sex offenses.

"(ii) Procedures students should follow if a sex offense occurs, including who should be contacted and to whom the alleged offense should be reported.

"(iii) Procedures for on-campus disciplinary action in cases of alleged sexual assault which shall include—

"(I) a clear statement that the institution will impose sanctions on students and employees, and a description of those sanctions;

"(II) a clear statement that the accuser and the accused are entitled to the same op-

portunities to have others present during a campus disciplinary proceeding; and

"(III) a clear statement that both the accuser and the accused shall be informed of the outcome of any campus disciplinary proceeding brought alleging a sexual assault.

"(iv) Notification of victims of sexual assault of the applicable legal sanctions under Federal, State or local law for sexual assault.

"(v) Informing students of their options to notify proper law enforcement authorities, both on campus and local police, and the option to be assisted by campus authorities in notifying such authorities, if the student so chooses.

"(vi) Notification of students to existing counseling, mental health or student services for victims of sexual assault, both on campus and in the community.

"(vii) Notification of students of options for and available assistance, in, if so requested by the victim, changing academic and living situations subsequent to an alleged sexual assault incident.

"(C) Nothing in this paragraph shall be construed to confer a private right of action upon any person to enforce the provisions of this paragraph."

#### WOFFORD AMENDMENT NO. 1668

Mr. PELL (for Mr. WOFFORD) proposed an amendment to the bill S. 1150, supra, as follows:

On page 12, after the item relating to section 445, insert the following:

Sec. 445A. Additional funding to conduct community service work-study programs.

On page 23, line 5, strike "service and conservation corps" and insert "corps as defined in section 101(30) of the National and Community Service Act of 1990".

On page 71, line 19, strike "work learning study" and insert "work-study".

On page 212, line 24, strike "20 U.S.C." and insert "40 U.S.C."

On page 213, line 17, strike "subpart" and insert "part".

On page 213, line 19, strike "public" before "agencies".

On page 213, line 20, strike "institutions" and insert "private nonprofit organizations".

On page 214, line 3, insert "Such term includes support services provided to students with disabilities." before the end quotation marks.

On page 214, line 5, strike "20 U.S.C." and insert "42 U.S.C."

On page 214, line 19, strike "and".

On page 214, line 22, strike the period and insert a semicolon and "and".

On page 214, between lines 22 and 23, insert the following:

(3) in subsection (e), by amending paragraph (2) to read as follows:

"(2) The Secretary shall reallocate the amount available pursuant to paragraph (1) to eligible institutions for use in initiating, improving and expanding community service work-study programs."

On page 214, line 24, strike "20 U.S.C." and insert "42 U.S.C."

On page 215, strike lines 5 through 9, and insert the following:

(2) by amending subparagraph (A) of paragraph (2) to read as follows:

"(A) in fiscal year 1994 and succeeding fiscal years, an institution shall use at least 10 percent of the total amount of funds granted to such institution under this section in any fiscal year to carry out a community service

work-study program, and the calculation of either such 10 percent or such total amount of funds granted to such institution shall not take into consideration funds made available pursuant to section 443(e) or the fourth sentence of section 489(a);"

On page 216, strike lines 3 through 8, and insert the following:

succeeding academic years, except that—

"(A) the Federal share may exceed such percentage if the Secretary determines that the non-Federal share would cause financial hardship at an eligible institution and that such institution serves a large number or percentage of low-income or minority students; and

"(B) when a student engaged in work in community service performs such work for a public agency or private nonprofit organization other than the eligible institution, the contribution of such agency or organization shall not exceed 10 percent of the compensation of the student, and the eligible institution in its discretion may count such contribution toward satisfaction of the non-Federal share of the compensation of the student;"

On page 217, line 8, strike "20 U.S.C." and insert "42 U.S.C."

On page 217, strike line 13, and insert the following:

"(2) by striking subsection (c)."

On page 217, between lines 13 and 14, insert the following:

#### SEC. 445A. ADDITIONAL FUNDS TO CONDUCT COMMUNITY SERVICE WORK-STUDY PROGRAMS.

(a) IN GENERAL.—Section 447 of the Act (42 U.S.C. 2756a) is amended—

(1) by striking subsections (a) and (b); and

(2) in subsection (c)—

(A) in the matter preceding paragraph (1), by striking "sentence of section 489(a) to conduct that institution's program of community service learning" and inserting "fourth sentence of section 489(a) to conduct that institution's program of community service work-study";

(B) in paragraph (3), by inserting ", and programs assisted under the National and Community Service Act of 1990" after "non-profit agencies"; and

(C) by striking "(c) USE OF OTHER FUNDS TO CONDUCT PROGRAM."

(b) AMENDMENT TO HEADING.—The heading for section 447 of the Act is amended to read as follows:

#### "ADDITIONAL FUNDS TO CONDUCT COMMUNITY SERVICE WORK-STUDY PROGRAMS"

(c) CONFORMING AMENDMENTS.—Subsection (a) of section 489 of the Act (20 U.S.C. 1096(a)) is amended—

(1) in the second sentence, by striking "(other than section 447)"; and

(2) in the third sentence, by striking "The payment" and inserting "Except as provided in the succeeding sentence, the payment";

(3) in the fourth sentence—

(A) by striking "447" and inserting "community service work-study described in section 443"; and

(B) by striking "expenditures during such fiscal year under such section" and inserting "payments during such fiscal year to compensate students participating in a community service work-study program conducted pursuant to such section".

On page 217, line 16, strike "20 U.S.C." and insert "42 U.S.C."

On page 352, line 11, insert "or to involve secondary school students in community service-learning projects" after "skills".

On page 410, line 15, strike "and VISTA" and insert "VISTA, and programs funded



under the National and Community Service Act of 1990".

On page 564, line 8, strike "subsection" and insert "subsections".

On page 564, line 8, strike the end quotation marks and the second period.

On page 564, between lines 12 and 13, insert the following:

"(j) SERVICE-LEARNING.—The term 'service-learning' has the same meaning given such term in section 101(22) of the National and Community Service Act of 1990."

#### WELLSTONE (AND DURENBERGER) AMENDMENT NO. 1669

Mr. PELL (for Mr. WELLSTONE, for himself and Mr. DURENBERGER) proposed an amendment to the bill S. 1150, supra, as follows:

At the appropriate place, insert the following:

#### SEC. 1406. SPECIAL PROJECTS FOR TWO-YEAR SCHOOLS.

Subsection (f) of section 788 of the Public Health Service Act (20 U.S.C. 295g-8(f)) is amended to read as follows:

"(f) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated \$316,203 for each of the fiscal years 1993, 1994, 1995, and 1996 to carry out subsection (a)."

At the appropriate place, after the item relating to section 1405, insert the following:

Sec. 1406. Special projects for two-year schools.

#### SIMON AMENDMENT NO. 1670

Mr. PELL (for Mr. SIMON) proposed an amendment to the bill S. 1150, supra, as follows:

On page 134, between lines 22 and 23, insert the following:

"(4) Funds appropriated pursuant to the authorizations under this section for the fiscal year 1993 and for each of the succeeding 6 fiscal years shall be transferred by the Secretary of the Treasury through the most expeditious method available, with each of the Tribally Controlled Community Colleges being designated as its own certifying agency.

#### CONRAD (AND OTHERS) AMENDMENT NO. 1671

Mr. PELL (for Mr. CONRAD, for himself, Mr. MCCAIN, and Mr. DASCHLE) proposed an amendment to the bill S. 1150, supra, as follows:

At the end of the amendment, insert the following:

#### PART F—AMERICAN INDIAN TEACHER TRAINING

#### SEC. 1651. AMERICAN INDIAN TEACHER TRAINING.

(a) INSTITUTIONAL SUPPORT.—

"(1) IN GENERAL.—The Secretary of Education, through the Office of Indian Education, is authorized to award grants to tribally controlled post-secondary, vocational and technical institutions for the purpose of developing teacher training programs.

(2) USE OF GRANTS.—Grants awarded under this subsection shall be for the purpose of providing upper division course work, transfer programs, articulation agreements with other accredited institutions, telecommunications programs or other mechanisms which directly support the training of American Indian teachers.

(b) STUDENT SUPPORT GRANTS.—

(1) IN GENERAL.—The Secretary of Education, through the Office of Indian Education, is authorized to award grants to institutions that have developed teacher training programs under subsection (a) for the purpose of providing financial and programmatic support to American Indian students seeking to participate in such institutions' teacher training programs.

(2) USE OF GRANTS.—Colleges receiving grants under this section shall require recipients of grants under this subsection to serve as teachers in an Indian community for 1 year for each year of scholarship support received.

(3) ELIGIBILITY.—Students eligible to receive support grants shall include those who have completed at least 30 hours of post-secondary education.

(4) WORK REQUIREMENT.—Students who fail to satisfy the requirements of paragraph (2) shall be required to repay a pro rata portion of the total amount of scholarships awarded under this part if the student worked for less than the required time period described in such paragraph.

(c) SCHOLARSHIPS.—

(1) AUTHORITY.—The Secretary of Education, through the Office of Indian Education, is authorized to provide scholarship assistance to American Indian students who seek to become teachers and who—

(A) agree to serve as teachers in an Indian community for 1 year for each year of scholarship support received, and

(B) have completed at least 30 hours of postsecondary education.

(2) WORK REQUIREMENT.—Students who fail to satisfy the requirements of paragraph (1) shall be required to repay a pro rata portion of the total amount of scholarships awarded under this part if the student worked for less than the required time period described in paragraph (1)(B).

(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated \$5,000,000 for fiscal year 1993 and such sums as may be necessary for each fiscal year thereafter to carry out this part.

#### HATFIELD AMENDMENT NO. 1672

Mr. PELL (for Mr. HATFIELD) proposed an amendment to the bill S. 1150, supra, as follows:

At the end of the Committee amendment, add the following new title:

#### TITLE XVI—COMMUNITY AND JUNIOR COLLEGES

#### SEC. 1601. DEFINITION OF COMMUNITY AND JUNIOR COLLEGE.

Section 104 of the Department of Education Organization Act (20 U.S.C. 3404) is amended—

(1) by striking "and" at the end of paragraph (6);

(2) by striking the period at the end of paragraph (7) and inserting "; and"; and

(3) by adding at the end the following new definition:

"(8) the term 'community and junior college' means an institution of higher education, as defined in section 1201(a) of the Higher Education Act of 1965 (20 U.S.C. 1141(a)), that—

"(A) admits as regular students persons—

"(i) a majority of whom are beyond the age of compulsory school attendance in the State in which the institution is located; and

"(ii) who have the ability to benefit from the training offered by the institution; and

"(B)(i) provides an educational program of not less than 2 years that is acceptable for full credit toward such a degree; a

"(ii) offers a 2-year program—

"(I) in engineering, mathematics, or the physical or biological sciences; and

"(II) designed to prepare a student to work—

"(aa) as a technician; or

"(bb) as an entry-level professional in engineering, scientific, or other technological fields requiring the understanding and application of basic engineering, scientific, or mathematical principles of knowledge."

#### SEC. 1602. LIAISON FOR COMMUNITY COLLEGES.

(a) LIAISON.—Section 202 of the Department of Education Organization Act (20 U.S.C. 3412) is amended by adding at the end the following new subsection:

"(i)(1) There shall be in the Department a Liaison for Community and Junior Colleges, who shall be an officer of the Department appointed by the Secretary.

"(2) The Secretary shall appoint, no later than 6 months after the enactment of this Act, as the Liaison for Community and Junior Colleges a person who—

"(A) has attained an associate degree from a community or junior college; or

"(B) has been employed in a community or junior college setting for not less than 5 years.

"(3) The Liaison for Community and Junior Colleges shall—

"(A) serve as principal advisor to the Secretary on matters affecting community and junior colleges;

"(B) provide guidance to programs within the Department dealing with functions affecting community and junior colleges; and

"(C) work with the Federal Interagency Committee on Education to improve coordination of—

"(i) the outreach programs in the numerous Federal departments and agencies that administer education and job training programs;

"(ii) collaborative business education partnerships; and

"(iii) education programs located in, and regarding, rural areas."

(b) EXECUTIVE SCHEDULE.—Section 5315 of title 5, United States Code, is amended by adding at the end the following new item:

"Liaison for Community and Junior Colleges, Department of Education."

#### GORTON AMENDMENT NO. 1673

Mr. PELL (for Mr. GORTON) proposed an amendment to the bill S. 1150, supra, as follows:

On page 24, line 18, insert "(a) IN GENERAL.—" before "From".

On page 24, line 21, strike "2 years to carry out" and insert "3 years to pay for the Federal share of carrying out".

On page 24, between lines 22 and 23, insert the following:

"(b) SPECIAL RULE.—An institution of higher education shall only receive 1 grant under this section in each fiscal year.

"(c) CONTINUATION OF LITERACY PROGRAM.—Grants under this section are renewable upon application by the institution of higher education in accordance with section 128.

"(d) FEDERAL SHARE.—

"(1) IN GENERAL.—The Federal share of carrying out student literacy corps programs under this subpart shall be—

"(A) up to 100 percent for an initial grant to an institution of higher education; and

"(B) up to 75 percent for a grant renewed under subsection (c).

"(2) NONFEDERAL SHARE.—the non-Federal share of carrying out student literacy corps

programs under this subpart may be paid from any non-Federal sources.

On page 25, strike lines 13 through 16, and insert the following:

"(b) LIMITATION.—No grant award to an institution of higher education under this subpart shall exceed \$100,000.

On page 25, line 18, strike "\$25,000" and insert, "\$50,000".

On page 26, line 16, strike "not less than 60 hours" and insert "for each credit, not less than 2 hours a week".

On page 28, between lines 14 and 15, insert the following:

"(d) REOPENING OF APPLICATION PROCESS.—The Secretary shall accept applications for assistance under this subpart for 90 days following the date of the enactment of this Act.

On page 29, line 2, strike "subpart the term" and insert the following: "subpart:

"(1) INSTITUTION OF HIGHER EDUCATION.—The term "institution of higher education", in the case of an institution of higher education with a branch campus, means, at the election of the institution—

"(A) a branch campus of the institution; or

"(B) the institution.

"(2) PUBLIC COMMUNITY AGENCY.—The term"

#### KOHL AMENDMENT NO. 1674

Mr. PELL (for Mr. KOHL) proposed an amendment to the bill S. 1150, supra, as follows:

On page 311, line 17, strike the quotation marks and the second period.

On page 311, between lines 17 and 18, insert the following:

"SEC. 494B. DATA BASE AND INFORMATION LINE.

"(a) IN GENERAL.—From the amounts appropriated pursuant to the authority of subsection (b), the Secretary shall award a contract to establish and maintain—

"(1) a computerized database of all public and private student financial assistance programs, to be accessible to schools and libraries through either modems or toll-free telephone information lines; and

"(2) a toll-free telephone information line to provide individualized student financial assistance information to parents, students, and other individuals.

"(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated \$10,000,000 for fiscal year 1993 and such sums as may be necessary for each of the 6 succeeding fiscal years to carry out this section."

#### KENNEDY AMENDMENT NO. 1675

Mr. PELL (for Mr. KENNEDY) proposed an amendment to the bill S. 1150, supra, as follows:

On page 108 of the Committee modification, on line three, strike "\$10,000,000" and insert in lieu thereof "\$20,000,000".

#### KENNEDY (AND HATCH) AMENDMENT NO. 1676

Mr. PELL (for Mr. KENNEDY, for himself and Mr. HATCH) proposed an amendment to the bill S. 1150, supra, as follows:

Insert on the bottom of page 339 the following new section:

SEC. 499C. AUTHORITY TO AWARD NEED BASED AID.

(a) IN GENERAL.—Institutions of Higher Education may:

(1) voluntarily agree with any other Institution of Higher Education to award financial aid funds not covered by this Act to students attending those institutions only on the basis of demonstrated financial need for such assistance: *Provided*, That each Institution of Higher Education shall apply its own standard of need which was adopted unilaterally and not in concert with any other Institution of Higher Education;

(2) voluntarily agree with any other Institution of Higher Education to collect from students, from whom such data may be considered reasonable and relevant, in addition to the data elements for financial aid prescribed by the Secretary, other supplemental financial data elements for financial aid funds not covered by this Act: *Provided*, That the student's right to free processing under Section 483 is not withheld and that such data will not affect eligibility or awards under this Act; and

(3) unilaterally engage and consult with in good faith the same processors used by other Institutions of Higher Education to collect and forward financial aid data on behalf of individual institutions: *Provided*, That the data forwarded to an institution relates only to applicants to that institution and the common processor does not disclose the identity of other institutions to which the applicant also applied, the standard of need adopted by those other institutions, or the financial aid or family contribution computed based on the standard of need adopted by those other institution.

(b) Other than subsection (a)(1), nothing in subsection (a) shall affect the application of the antitrust laws to Institutions of Higher Education or shall affect the prohibitions of the consent decree in *United States v. Brown University et al.*, Civ. Action No. 91-3274 (E.D. Pa. 1991). No inference of unlawful contract, combination or conspiracy shall be drawn from the fact that Institutions of Higher Education engage in the conduct authorized in subsection (a)(1).

#### PELL AMENDMENT NO. 1677

Mr. PELL proposed an amendment to the bill S. 1150, supra, as follows:

On page 297, after line 21, insert the following: "Nothing in section 499(c) shall relieve processors of any or all obligations under this section."

#### DOMENICI AMENDMENT NO. 1678

Mr. PELL (for Mr. DOMENICI) proposed an amendment to the bill S. 1150, supra, as follows:

On page 401, line 17, strike "or".

On page 401, between lines 20 and 21, insert the following:

"(6) intends to teach in the areas of science or math; or

"(7) intends to teach on Indian reservations or in Alaska native villages named or certified pursuant to section 39(c) of the Alaska Native Claims Settlement Act, Public Law 92-203, or in areas with high concentrations of Native Hawaiians.

#### WELLSTONE AMENDMENT NO. 1679

Mr. PELL (for Mr. WELLSTONE) proposed an amendment to the bill S. 1150, supra, as follows:

On page 241, line 23, strike "and".

On page 242, line 3, strike the period and insert a semicolon and "and".

On page 242, between lines 3 and 4 insert the following:

(3) by amending paragraph (7) to read as follows:

"(7) for a student with one or more dependents, an allowance for the expenses actually incurred by the student for dependent care for each child, except that such allowance shall not exceed the reasonable cost in the community in which such student resides for the kind of care provided (as determined by the institution);"

#### GRAHAM AMENDMENT NO. 1680

Mr. PELL (for Mr. GRAHAM) proposed an amendment to the bill S. 1150, supra, as follows:

Since, substantial layoffs in the military and private sector have led to high unemployment rates;

Since, community colleges and vocational education centers are reporting significant increases in the requests for post secondary vocational education and training;

Since, the Economic Dislocation and Worker Adjustment Assistance Act established by P.L. 100-418 authorizes grants to states for job training activities in the event of mass layoffs, plant closing and high unemployment; and

Since, the Secretary of Labor has the authority to make such grants;

Since, funds appropriated by Congress for this purpose have not been depleted;

Therefore, it is the sense of the Senate that the Secretary of Labor should move expeditiously to process applications for funds authorized by Public Law 100-418 for vocational education and training purposes.

#### NUNN AMENDMENT NO. 1681

Mr. PELL (for Mr. NUNN) proposed an amendment to the bill S. 1150, supra, as follows:

On page 600, after line 24, insert the following:

SEC. 1405. NATIONAL AND COMMUNITY SERVICE ACT OF 1990.

(a) SUBTITLE C POST-SERVICE BENEFITS.—Section 132 of the National and Community Service Act of 1990 (42 U.S.C. 12452 is amended by striking "\$100 per week, or in excess of \$5,000 per year, whichever is less" and inserting "\$5,000 in fiscal year 1992, \$5,500 in fiscal year 1993 and \$5,700 in fiscal year 1994".

(b) SUBTITLE D POST-SERVICE BENEFITS.—Paragraph (1) of section 146(b) of the National and Community Service Act of 1990 is amended by striking "that is equal in value to \$2,500 for each year of service that such participant provides to the program" and inserting "for each year of service that such participant provides to the program, which benefit shall be equal to \$2,500 in fiscal year 1992, \$3,000 in fiscal year 1993, and \$3,200 in fiscal year 1994".

On page 14, after the item relating to section 1404, insert the following:

Sec. 1405 National and Community Service Act of 1990.

#### THURMOND AMENDMENT NO. 1682

Mr. PELL (for Mr. THURMOND) proposed an amendment to the bill S. 1150, supra, as follows:

On page 419, lines 16-17 delete the words "This part" and insert in its place "Subparts 1, 3, 4, and 5".

On page 419, line 19 after the words "Civics and Government" add the following new sentence "For purposes of subpart 2, the term



'Key Academic Subjects' means English, Mathematics, Science, History, Geography, Foreign Languages, Civics and Government, and Economics."

# RIEGLE (AND LEVIN) AMENDMENT NO. 1683

Mr. PELL (for Mr. RIEGLE, for himself and Mr. LEVIN) proposed an amendment to the bill S. 1150, *supra*, as follows:

On page 132, line 4, strike the end quotation marks and the second period.

On page 132, between lines 4 and 5, insert the following:

## "Subpart 12—Olympic Scholarships

### "SEC. 420DD. OLYMPIC SCHOLARSHIPS.

"(a) SCHOLARSHIPS AUTHORIZED.—The Secretary shall award scholarships to each athlete who is training at the United States Olympic Education Center or a United States Olympic Training Center.

"(b) ELIGIBILITY.—The Secretary shall award scholarships under this part to both full-time and part-time students who are athletes described in subsection (a).

"(c) AMOUNT.—Except as provided in subsection (d), the Secretary shall award scholarships under this section in an amount sufficient to pay the cost to the athletes described in subsection (a) of tuition, room and board at an accredited institution of higher education.

"(d) PRO RATA REDUCTION.—If in any fiscal year in which the amount appropriated pursuant to the authority of subsection (f) is insufficient to award each athlete described in subsection (a) a scholarship under this section in the full amount described in subsection (c), then the Secretary shall make a pro rata reduction in the amount of each such scholarship awarded for such year.

"(e) APPLICATION.—Each athlete desiring a scholarship under this section shall submit an application to the Secretary at such time, in such manner and accompanied by such information as the Secretary may reasonably require.

"(f) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated \$6,000,000 for fiscal year 1993 and each of the 6 succeeding fiscal years."

# ROCKEFELLER AMENDMENT NO. 1684

Mr. PELL (for Mr. ROCKEFELLER) proposed an amendment to the bill S. 1150, *supra*, as follows:

On page 594, line 25, strike "1308" and insert "1309".

On page 595, line 2, strike "section" and insert "sections".

On page 596, line 10, strike the end quotation marks and the second period.

On page 596, between lines 10 and 11, insert the following:

## "SEC. 1308. SATISFACTORY PROGRESS STUDY.

"(a) STUDY.—The Secretary shall conduct a study of the impact of fraud-based defenses on the Stafford Loan Program. Such study shall include—

"(1) an analysis of statutory, regulatory, and case law regarding the use of fraud-based defenses against repayment of Stafford loans;

"(2) an estimate of the total number of borrowers filing for relief from repayment of Stafford loans using a fraud-based defense and amount of such loan principal involved;

"(3) an estimate of Stafford loan principal relieved annually through fraud-based defenses;

"(4) an evaluation of the importance of a fraud-based defense to the protection of borrowers of Stafford loans; and

"(5) an evaluation of the effects of the availability of a fraud-based defense on the accessibility of Stafford loans by geographical area and by type of postsecondary institution.

"(b) DATE.—The study described in subsection (a) shall be completed not later than 18 months after the date of enactment of this Act.

"(c) REPORT.—

"(1) IN GENERAL.—The Secretary shall submit a report to the Congress on the study described in subsection (a) that makes specific recommendations for legislative options that may be needed to address the rights of borrowers with respect to the availability of fraud-based defenses under the Stafford Loan Program without jeopardizing the participation of lenders or the solvency of guaranty agencies required to maintain the integrity of such program.

"(2) DATE.—The report described in paragraph (1) shall be completed not later than 19 months after the date of enactment of this Act."

# MCCONNELL AMENDMENT NO. 1685

Mr. PELL (for Mr. MCCONNELL) proposed an amendment to the bill S. 1150, *supra*, as follows:

At the appropriate place, insert the following new section:

## SEC. . HAZING.

Subsection (a) of section 487 of the Higher Education Act of 1965 (20 U.S.C. 1094(a)) is amended by adding at the end the following new paragraph:

"(13)(A) The institution should adopt a policy that prohibits a member of a student organization operating on or near such institution for the purpose of participating in student activities of such institution, to intentionally commit an act of hazing or conspire to commit an act of hazing against a member, potential member, or person pledged to be a member of the organization as a condition of attaining membership in the organization or of attaining an office or other status within the organization.

"(C) For the purposes of this paragraph, the term 'act of hazing' means the subjection of a person to bodily danger or physical harm or a substantial likelihood of bodily danger or physical harm, or to require, encourage, authorize, or permit that a person be subject to—

"(i) total or substantial nudity of the person;

"(ii) compelled ingestion of any substance which, because of the nature, amount, or concentration of such substance, subjects the person to a substantial likelihood of physical harm;

"(iii) wearing or carrying of any obscene article by the person;

"(iv) a physical assault upon or offensive physical contact with the person;

"(v) participation by the person in a boxing match, an excessive number of calisthenics, or any other physical activity which involves a substantial likelihood of bodily danger or physical harm;

"(vi) transportation and intentional abandonment of the person;

"(vii) confinement of the person to unreasonably small, unventilated, unsanitary, or unlighted areas;

"(viii) intentional sleep deprivation; or

"(ix) assignment of pranks to be performed by the person which involve the violation of

any Federal, State or local law, or which would subject the person or any other person to a substantial likelihood of bodily danger or physical harm.

"(D) This section shall not be construed to apply to legitimate curricular activities or activities of athletic teams of an institution of higher education."

# SPECTER AMENDMENT NO. 1686

Mr. PELL (for Mr. SPECTER) proposed an amendment to the bill S. 1150, *supra*, as follows:

On page 132, line 4, strike the end quotation marks and the second period.

On page 132, between lines 4 and 5, insert the following:

## "Subpart 12—Dwight D. Eisenhower Leadership Program

### "SEC. 420DD. SHORT TITLE.

"This subpart may be cited as the 'Dwight D. Eisenhower Leadership Development Act of 1992'.

### "SEC. 420EE. ESTABLISHMENT OF THE PROGRAM.

"(a) IN GENERAL.—The Secretary shall establish a program to be known as the 'Dwight D. Eisenhower Leadership Development Program'.

"(b) SPECIAL RULE.—The program assisted under this subpart shall be established in conjunction with institutions of higher education which are specially prepared to undertake the development of new generations of leaders in the areas of national and international affairs.

### "SEC. 420FF. FUNCTIONS OF THE PROGRAM.

"The functions of the program assisted under this subpart shall include—

"(1) stimulating and supporting the development of leadership skills among new generations of American college students;

"(2) directing a national program that identifies, recruits, inspires, and educates outstanding young men and women regarding leadership roles in a wide variety of fields in both the public and private sectors;

"(3) offering opportunities for young American leaders to benefit from internships in national and international organizations, with special attention being given to establishing such opportunities in developing countries;

"(4) identifying potential leaders from the developing democracies and supporting their study of leadership and democracy in the United States;

"(5) developing a prototype for understanding and teaching critical leadership skills to young Americans and encouraging institutions of higher education to establish similar leadership programs throughout the United States and abroad; and

"(6) stimulating the theoretical and practical study of leadership and leadership development to develop both a better understanding of leadership and improved methods to teach critical skills to young adults.

### "SEC. 420GG. OPERATION OF THE PROGRAM BY A PRIVATE NONPROFIT ORGANIZATION.

"The Secretary is authorized to make grants to or enter into cooperative agreements, contracts, or leases with private nonprofit organizations to operate the program assisted under this subpart.

### "SEC. 420HH. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated \$10,000,000 for fiscal year 1993 and such sums as may be necessary for each of the fiscal years 1994 and 1995 to carry out this subpart."

SPECTER AMENDMENTS NOS. 1687  
AND 1688

Mr. SPECTER (for himself) proposed two amendments to the bill S. 1150, supra, as follows:

## AMENDMENT NO. 1687

On page 132, line 4, strike the end quotation marks and the second period.

On page 132, between lines 4 and 5, insert the following:

"Subpart 12—Dwight D. Eisenhower Leadership Program

## "SEC. 420DD. SHORT TITLE.

"This subpart may be cited as the 'Dwight D. Eisenhower Leadership Development Act of 1992'.

## "SEC. 420EE. ESTABLISHMENT OF THE PROGRAM.

"(a) IN GENERAL.—The Secretary shall establish a program to be known as the 'Dwight D. Eisenhower Leadership Development Program'.

"(b) SPECIAL RULE.—The program assisted under this subpart shall be established in conjunction with institutions of higher education which are specially prepared to undertake the development of new generations of leaders in the areas of national and international affairs.

## "SEC. 420FF. FUNCTIONS OF THE PROGRAM.

"The functions of the program assisted under this subpart shall include—

"(1) stimulating and supporting the development of leadership skills among new generations of American college students;

"(2) directing a national program that identifies, recruits, inspires, and educates outstanding young men and women regarding leadership roles in a wide variety of fields in both the public and private sectors;

"(3) offering opportunities for young American leaders to benefit from internships in national and international organizations, with special attention being given to establishing such opportunities in developing countries;

"(4) identifying potential leaders from the developing democracies and supporting their study of leadership and democracy in the United States;

"(5) developing a prototype for understanding and teaching critical leadership skills to young Americans and encouraging institutions of higher education to establish similar leadership programs throughout the United States and abroad; and

"(6) stimulating the theoretical and practical study of leadership and leadership development to develop both a better understanding of leadership and improved methods to teach critical skills to young adults.

## "SEC. 420GG. OPERATION OF THE PROGRAM BY A PRIVATE NONPROFIT ORGANIZATION.

"The Secretary is authorized to make grants to or enter into cooperative agreements, contracts, or leases with private nonprofit organizations to operate the program assisted under this subpart.

## "SEC. 420HH. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated \$10,000,000 for fiscal year 1993 and such sums as may be necessary for each of the fiscal years 1994 and 1995 to carry out this subpart."

## AMENDMENT NO. 1688

## SECTION . ELIGIBLE DISLOCATED WORKERS EDUCATIONAL TRAINING DEMONSTRATION PROGRAM.

Part A of title IV of the Higher Education Act of 1965 (20 U.S.C. 1070 et seq.) is amended

by adding at the end thereof the following new subpart:

"Subpart 9—Eligible Dislocated Workers Educational Training Demonstration Program

## "SEC. 420C. PROGRAM ESTABLISHED.

"(a) Program Established.—

"(1) IN GENERAL.—The Secretary shall award grants to States to enable such States to pay the Federal share of establishing and operating eligible dislocated workers educational training demonstration programs in accordance with this section.

"(2) FEDERAL SHARE.—The Federal share shall be 50 percent.

"(3) AWARD BASIS.—The Secretary shall award grants under this section on the basis of the number of eligible dislocated workers in each State.

(b) PROGRAM REQUIREMENTS.—Each State receiving a grant under this section shall use such grant funds to carry out an eligible dislocated workers educational training demonstration program that—

"(1) is designed to provide eligible dislocated workers with new skills through a variety of educational opportunities offered by institutions of higher education which are suited to such workers' goals, educational background, aptitude and skills;

"(2) leads to entry level job skills that assist an eligible dislocated worker to return to the work force;

"(3) only pays the cost of participating in such program which is not paid for by other Federal, State, or local grant programs; and

"(4) provides educational opportunities in programs that—

"(A) do not provide academic credit and which include academic skills improvement, job skills, and career and personal development; or

"(B) provide academic credit in one-year certificate granting programs or 2-year associate degree granting programs.

## "(c) ELIGIBILITY.—

"(1) IN GENERAL.—An eligible dislocated worker is eligible to participate in a program assisted under this section if such eligible dislocated worker—

"(A) has applied for all Federal, State, and local grant assistance available to such eligible dislocated worker; and

"(B) is eligible for payments of unemployment compensation under Federal or State law.

"(2) SPECIAL RULE.—Notwithstanding any other provision of law, no individual shall be eligible to participate in a program assisted under this section if such individual—

"(A) completes such individual's education goal; or

"(B) returns to employment of at least 20 hours per week.

"(d) SPECIAL RULE.—The amount of an eligible dislocated worker's payments of unemployment insurance under Federal or State law shall not be increased or decreased as a result of assistance received under this section.

"(e) APPLICATION.—Each State desiring to receive a grant under this section shall submit an application to the Secretary at such time, in such manner, and accompanied by such information as the Secretary may reasonably require.

"(f) EVALUATION.—The Secretary shall evaluate the program assisted under this section every year.

"(g) DEFINITIONS.—For the purpose of this section—

"(1) the term 'eligible dislocated worker' has the same meaning given to such term by section 301(a) of the Job Training Partnership Act; and

"(2) the term 'public assistance' has the same meaning given to such term by section 4(20) of the Job Training Partnership Act.

"(h) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated \$5,000,000 for the fiscal year 1993, and such sums for each of the fiscal years thereafter.

BINGAMAN (AND DOMENICI)  
AMENDMENT NO. 1689

Mr. BINGAMAN (for himself and Mr. DOMENICI) proposed an amendment to the bill S. 1150, supra, as follows:

On page 470, line 19, strike the end quotation marks and the second period.

On page 470, between lines 19 and 20, insert the following:

## "PART M—BORDER TEACHER TRAINING

## SEC. 599AA. COOPERATIVE BORDER TEACHER TRAINING.

"(A) INSTITUTIONAL SUPPORT.—

"(1) IN GENERAL.—The Secretary of Education is authorized to award grants to Higher Education Institutions for the purpose of expanding cooperative educational programs between state education agencies and offices, schools and school systems, postsecondary institutions, appropriate educational entities, and private sector establishments involved in education between the United States and the Republic of Mexico.

"(2) USE OF GRANTS.—Grants awarded under this subsection shall be for the purpose of providing bilateral teaching initiatives and programs that provide teacher training experiences between the educational communities of the United States and those of the Republic of Mexico and to enhance mutually beneficial educational activities involving researchers, scholars, faculty members, teachers, educational administrators, and other specialists to lecture, teach, conduct research, and develop cooperative programs.

"(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated \$2,000,000 for fiscal years 1993, 1994, 1995 and such sums as may be necessary for each fiscal year thereafter to carry out this part."

SEYMOUR (AND STEVENS)  
AMENDMENT NO. 1690

Mrs. KASSEBAUM (for Mr. SEYMOUR, for himself and Mr. STEVENS) proposed an amendment to the bill S. 1150, supra, as follows:

On page 95 of the Committee amendment, between lines 2 and 3, insert the following:

## SEC. 416A. ADVANCED PLACEMENT TEST FEE PAYMENT PROGRAM.

Subpart 4 of part A of title IV of the Act (20 U.S.C. 1070d et seq.) is amended by adding at the end thereof the following new section:

## "SEC. 417I. ADVANCED PLACEMENT FEE PAYMENT PROGRAM.

"(a) PROGRAM ESTABLISHED.—The Secretary is authorized to make grants to States to enable the States to reimburse individuals to cover part or all of the cost of advance placement test fees, to low-income individuals who—

"(1) are enrolled in an advanced placement class; and

"(2) plan to take an advanced placement test.

"(b) INFORMATION DISSEMINATION.—The State education agency shall disseminate information on the availability of test fee payments under this section to eligible individuals through secondary school teachers and guidance counselors.



"(c) REQUIREMENTS FOR APPROVAL OF APPLICATIONS.—In approving applications for grants the Secretary shall—

"(1) require that each such application contain a description of the advance placement test fees the State will pay on behalf of individual students;

"(2) require an assurance that any funds received under this section shall only be used to pay advanced placement test fees; and

"(3) contain such information as the Secretary may require to demonstrate that the State will ensure that the student is eligible for payments under this section, including the documentation required by section 417A(g).

"(d) SUPPLEMENTATION OF FUNDING.—Funds provided under this section shall be used to supplement and not supplant other Federal, State, and local funds available to assist low-income individuals in paying for advanced placement testing.

"(e) REGULATIONS.—The Secretary shall prescribe such regulations as are necessary to carry out this section.

"(f) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated \$3,600,000 for fiscal year 1993 and such sums as may be necessary for each of the 4 succeeding fiscal years to carry out the provisions of this section.

"(g) DEFINITION.—As used in this section:

"(1) ADVANCED PLACEMENT TEST.—The term 'advanced placement test' includes only an advanced placement test approved by the Secretary for the purposes of this section.

"(2) LOW-INCOME INDIVIDUAL.—The term 'low-income individual' has the meaning given the term in section 417A(d)(2)."

#### SPECTER (AND OTHERS) AMENDMENT NO. 1691

Mr. SPECTER (for himself, Mr. SHELBY, Mr. MCCAIN, Mr. DECONCINI, Mr. NICKLES, and Mr. BURDICK) proposed an amendment to the bill S. 1150, *supra*, as follows:

On page 607, below line 18, add the following new title:

#### TITLE XVI—MISCELLANEOUS

##### SEC. 1601. PROHIBITIONS RELATING TO THE PROVISION OF CERTAIN HEALTH CARE UNDER SHARING PROGRAM.

(a) PROHIBITION.—Notwithstanding section 8153 of title 38, United States Code, or any other provision of law, the Secretary of Veterans Affairs may not furnish, and funds appropriated or otherwise made available to the Department of Veterans Affairs (including funds paid to the Department by the Department of Health and Human Services) may not be used by the Secretary to furnish, hospital care or medical services under the program referred to in subsection (b) to any person who is not eligible to be furnished such care or services under chapter 17 of title 38, United States Code.

(b) COVERED PROGRAM.—The prohibition referred to in subsection (a) applies to the demonstration project for the furnishing of health care in certain rural facilities of the Department entered into between the Secretary and the Secretary of Health and Human Services that is commonly known as the Rural Health Care Initiative.

In section 1(b), amend the table of contents by adding after the item relating to section 1506 the following new matter:

#### TITLE XVI—MISCELLANEOUS

Sec. 1601. Prohibitions relating to the provision of certain health care under sharing program.

#### SIMPSON AMENDMENT NO. 1692

Mr. PELL (for Mr. SIMPSON) proposed an amendment to the bill S. 1150, *supra*, as follows:

S. 1150 is amended as follows: In title V, after part 0, insert the following: P—small state teaching initiative.

(1) PURPOSE.—It is the purpose of this section to provide sufficient funds to small States to develop model programs for educational excellence, teacher training, and educational reform.

(2) PROGRAM AUTHORIZED.—The Secretary is authorized to make grants to land grant institutions for the purpose of enhancing and improving the quality of teacher education, training, and recruitment in the Nation's smallest States.

(3) INSTITUTIONAL USE OF FUNDS.—Eligible land grant institutions receiving funds under this section may use such funds for the development of innovative teaching techniques and materials, preservice and inservice training programs, renovation of training facilities, and construction of model classrooms. Special consideration should be given to proposals that include the rehabilitation of historic education facilities.

(b) ALLOTMENT OF FUNDS.—The Secretary shall allot funds in equal portions among the eligible applicants.

(c) DEFINITIONS.—

(1) SMALL STATE.—For the purposes of this section the term "Small State" includes the several States whose population is in each case less than 1,108,500 as reported in the 1990 Census of Population and Housing.

(2) LAND GRANT INSTITUTIONS.—For the purposes of this section the term "land grant institution" refers to those institutions in each State now receiving benefits under the Act of August 30, 1890 (26 Stat. 417-419, as amended).

(d) APPLICATION.—In General.—Any eligible institution which desires to receive an allotment under this section shall submit to the Secretary an application which—

(1) certifies that the State educational agency has approved the plan and entered into a partnership for its implementation;

(2) provides for a process of active discussion and consultation with an advisory committee convened by the State educational agency and the eligible institution;

(3) describes how the institution will use the funding;

(4) describes how the plan will be evaluated for dissemination.

(e) AUTHORIZATION OF APPROPRIATIONS.—For the purposes of this part there are authorized to be appropriated \$5,000,000 for fiscal year 1993 and such sums as may be necessary in each of the six succeeding fiscal years.

#### PELL AMENDMENT NO. 1693

Mr. PELL proposed an amendment to the bill S. 1150, *supra*, as follows:

On page 309, line 20, insert "subparts 1 and 4 of part A, part B and part G of" after "to".

#### DURENBERGER AMENDMENT NO. 1694

Mrs. KASSEBAUM (for Mr. DURENBERGER) proposed an amendment to the bill S. 1150, *supra*, as follows:

On page 101, line 8, strike "\$100,000,000" and insert "\$200,000,000".

On page 101, line 21, strike "for a period of 2 academic years" and insert "for a period of

4 academic years, or in the case of a student who is enrolled in an undergraduate course of study that requires attendance for the full-time equivalent of 5 academic years, 5 academic years."

On page 101, line 9, strike "fiscal year 1995" and insert "fiscal year 1993".

#### AUTHORITY FOR COMMITTEES TO MEET

##### COMMITTEE ON FINANCE

Mr. FORD. Mr. President, I ask unanimous consent that the Committee on Finance be authorized to meet during the session of the Senate on February 20, 1992 at 10 a.m. to hold a hearing on S. 1872, the Better Access to Affordable Health Care Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

##### SUBCOMMITTEE ON TERRORISM, NARCOTICS AND INTERNATIONAL OPERATIONS

Mr. FORD. Mr. President, I ask unanimous consent that the Subcommittee on Terrorism, Narcotics and International Operations of the Foreign Relations Committee be authorized to meet during the session of the Senate on Thursday, February 20, at 10 a.m. to hold a hearing on the Andean drug initiative.

The PRESIDING OFFICER. Without objection, it is so ordered.

##### SELECT COMMITTEE ON INTELLIGENCE

Mr. FORD. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on Thursday, February 20, 1992 at 2 p.m. to hold an open hearing on intelligence matters.

The PRESIDING OFFICER. Without objection, it is so ordered.

##### COMMITTEE ON BANKING, HOUSING AND URBAN AFFAIRS

Mr. FORD. Mr. President, I ask unanimous consent that the Subcommittee on Securities of the Committee on Banking, Housing, and Urban Affairs be authorized to meet during the session of the Senate on Thursday, February 20, 1992, at 9:30 a.m. to conduct a hearing on SEC proposed legislation relating to investment advisers.

The PRESIDING OFFICER. Without objection, it is so ordered.

##### SUBCOMMITTEE ON FEDERAL SERVICES, POST OFFICE, AND CIVIL SERVICE

Mr. FORD. Mr. President, I ask unanimous consent that the Subcommittee on Federal Services, Post Office, and Civil Service, Committee on Governmental Affairs, be authorized to meet during the session of the Senate on Thursday, February 20, 1992. The focus of the hearing will be to examine the adequacies of the Department of Defense's programs to assist Federal employees affected by the proposed base closing and realignment policy.

The PRESIDING OFFICER. Without objection, it is so ordered.

##### SUBCOMMITTEE ON AGING

Mr. FORD. Mr. President, I ask unanimous consent that the Subcommittee

on Aging of the Committee on Labor and Human Resources be authorized to meet during the session of the Senate on Thursday, February 20, 1992, at 10 a.m., for a hearing on finding and fighting malnutrition in the elderly.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### COMMITTEE ON ARMED SERVICES

Mr. FORD. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet on Thursday, February 20, 1992, at 2 p.m., in open/executive session, to consider the nomination of Adm. David E. Jeremiah, USN, for a second 2-year term as Vice Chairman of the Joint Chiefs of Staff; consideration of pending military nominations; and markup of legislation relating to the Vice Chairman and other matters.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### COMMITTEE ON FOREIGN RELATIONS

Mr. FORD. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Thursday, February 20, at 10 a.m. to receive a closed briefing on Chinese proliferation activities.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### ADDITIONAL STATEMENTS

##### COMMENDING HUGO HARMATZ AND VOLUNTEERS OF THE MISSING CHILDREN'S BUREAU

• Mr. GRAHAM. Mr. President, I rise today to congratulate Hugo Harmatz and the Volunteers of the Missing Childrens Bureau [MCB] on the opening of their field office in Orlando, FL.

It is with the utmost appreciation and respect that we honor the dedicated and exemplary volunteers of the MCB. Founded in 1989 by Hugo R. Harmatz, this wonderful organization, which continues to struggle with one of society's most difficult jobs, that of finding children who have been abducted or who are missing. We offer our most heartfelt support to the magnanimous efforts of the members of this organization.

Hugo R. Harmatz is a professor of criminal law at two colleges and an authority in the field of criminal investigations. After he founded MCB in 1989, Mr. Harmatz created a staff of volunteers with backgrounds in intelligence and investigative work. The MCB staff donates its time and skills in order to collect and review information and investigate child abduction and missing children cases. No fee is ever charged for the services of this organization.

The MCB acts as a central communications center among several law enforcement agencies, including local, State and Federal, serving as a liaison

in order to increase the percentage of children who are recovered. One primary goal of the MCB is to build a better intergovernmental communications network among these many agencies so that more children will be retrieved. The MCB maintains constant contact with parents or guardians of the missing children, while compiling a file, contacting appropriate law enforcement authorities, and assigning an agent to the case. In view of the extraordinary assistance that this organization provides to families, we are proud to offer this expression of our commendation and gratitude to the many volunteers of the Missing Childrens Bureau.

I ask my colleagues to join me in this special tribute to Hugo Harmatz and the volunteers of the Missing Childrens Bureau who are performing a great service to society. We look forward to working with them to further assist the people of Florida and continue to assist those impacted by the event of a missing or abducted child in the United States and abroad. I appreciate the opportunity to recognize the work of this special organization. •

##### TRIBUTE TO BARBARA PINE

• Mr. LAUTENBERG. Mr. President, I rise today to congratulate Barbara Pine, a lifelong resident of Camden County who is retiring after 22 years of service to Camden County in both the sheriff's department and the office of the department of personnel. She will be honored for her accomplishments at a dinner on the 21st of this month.

Barbara Pine has dedicated her life to Camden County. She was born in Camden City and graduated from Woodrow Wilson High School in 1959. Mrs. Pine and her husband, Albert, have two children that they raised in Collingswood.

As an active citizen, Mrs. Pine has volunteered her time to many organizations including Women Against Rape, the Child Watch Program, the Heart Fund, the March of Dimes, Big Brothers and Sisters and as a member of Transfiguration Roman Catholic Church. It is a privilege to find such a giving person in any community. By donating her time to these organizations, Mrs. Pine helped to find ways of meeting the needs of her neighbors. I commend her contributions to these worthy causes.

Politics also play an important role in Mrs. Pine's life. In 1970, she became a member of the Democratic Women of Camden County serving as both the treasurer and secretary. Since 1972, Mrs. Pine has been the committee-woman for the Borough of Collingswood. During her tenure as a public servant, she has worked with the Citizen's Advisory Planning Board for Transportation and Planning and served as secretary to the Camden

County Democratic Committee. From 1981 to 1984, Mrs. Pine was a delegate to the New Jersey Democratic State Convention. Since 1988, she has served as a State committeewoman for the Democratic State Committee.

Mrs. Pine's accomplishments were recognized when she was selected to be the recipient of the 1989 Peg Roberts Democratic Woman of the Year Award. I join with her friends and colleagues in praising her achievements and extending my best wishes to Barbara for success in all of her future endeavors. •

##### PRESIDENT BUSH'S HEALTH PLAN

• Mr. KERREY. Mr. President, I wish to continue the debate on President Bush's message to the American public regarding health care. There is no issue that entails more personal involvement or governmental expenditure than our health care system. The increasing fear and anxiety of all Americans regarding coverage, preexisting illness, and rising costs gave hope that the President would give us direction and a meaningful plan to initiate debate. Instead we were given old thoughts with old solutions and no real hope for the future.

President Bush's health plan is, of course, no plan. It is only a politically expedient idea to tantalize families with the possibility of insurance reform, to place the financial burden back on the States, and to offer insufficient tax credits to obtain a comprehensive health plan. It promises to continue the paperwork and bureaucracy for both the consumer and providers without relief. Our long wait for the President's message was unjustly rewarded by his presenting a stale, incremental approach to reform of an industry that consumes 14 percent of our gross national product. And even for these partial solutions, the President says we must wait until 1997 for complete phase-in. This inability of the President to lead the health care community—hospitals, doctors, nurses, consumers—to a comprehensive solution is a reflection of his desire for reelection but not real solutions.

American medical costs have progressed to a critical point. These costs are rising at twice the annual inflation rate. Yet the administration has failed to recognize the necessity of developing a comprehensive strategy for excellence in health care while preserving fiscal responsibility. Our failing economy and consequent unemployment has revealed the inability of the insurance industry and providers to offer health care for all Americans at affordable prices. This sole reliance upon market-based approaches in health care to protect all Americans in times of duress has proven unsatisfactory and led to fragmented and discontinued service.

Tax credits are the major component of the President's proposal. However,



because they do not approximate the present costs of a comprehensive health insurance program, these credits will either not access most of the working poor or they will simply assure health insurance involving little option or choice. If spiraling health care costs are not more actively controlled, the tax credits will be of little value, go largely unused, and do little to establish real uniform access.

The President's plan suggests that small businesses would offer but not pay for health insurance. He assures us that health care can be made available to this group by using health insurance networks. These have been available in the past without widespread success. The real fact remains: Small business health insurance reform without effective cost controls will either serve to raise the premiums of all of the insured or ensure that insurance coverage remains unavailable to those who need it the most and can afford it the least.

The President believes his ideas will be effectively implemented by the insurance industry. Even though this industry is in the midst of change, reform of our system needs to allow consumers, health care professionals and hospitals to participate in this debate. American consumers deserve to have a voice both in the choice of systems as well as the services to be provided. To entrust the country's health care system to only one part of the health care industry is simply to ensure the status quo, an unacceptable proposal.

George Bush's message will allow states to receive the tax credit moneys and add them to the already depleted Medicaid funds to establish inadequate state health plans; plans that will take choice away from the consumer; plans that will assure that users of the State program will be low-cost-plan recipients, reaffirming their nonimportance to the administration.

The President talks about prevention. No one could argue with incentives for better personal health responsibility. However, the administration's plan does nothing to ensure preventive care such as mammograms, cervical cancer screening and immunization. Furthermore, this administration has abdicated its other roles in prevention with its appalling record on pollution control and occupational safety standards.

While President Bush demagogues the new taxes required for each of the comprehensive Democratic proposals, he fails to mention the revenue source of the 5-year \$100 billion estimate his plan will cost. The President realizes health care costs money; what he doesn't mention is that under his new plan we will be paying a huge amount for a system that neither controls cost nor gives adequate service or access.

The Democratic Congress is unified in its support for equal and complete access for all Americans in a com-

prehensive program. The President's plan for access, choice, and cost containment is neither plausible nor possible. This is not a plan; this is an afterthought. The American public deserves better. They should know their children with heart disease will get affordable, quality care; they should know their parents' long-term care will not bring them into poverty, and they should know that insurance costs will not rise such that each year they must choose between food and clothing or health care. Not only does the President fail to answer these issues; he even fails to address them.

Americans are concerned about their health care. They want to continue to receive high quality medical care. At the same time they consistently recognize the need for significant improvements to access, delivery, and cost in the present system.

After many months of delay and the onset of an election year, the President has finally recognized that a problem exists. But he continues to side-step a real comprehensive, long term solution to this domestic issue. Americans are paying for this oversight; today we are paying with the health of our Nation.●

#### LOCAL ELECTIONS IN ROMANIA

● Mr. DeCONCINI. Mr. President, on February 9, 1992, the people of Romania went to the polls to elect mayors and local councils in the country's first free local elections in over 40 years. These local elections were also the first electoral exercise in Romania since the general elections of May 1990. While final counts are slow to arrive, and while runoff contests are being held in 1,344 out of the 2,951 electoral constituencies, preliminary results show that the ruling National Salvation Front obtained roughly 55 percent of the vote on the first round overall, but lost significant ground in Bucharest and some 20 other big cities across the country.

As you know, the administration has listed free and fair local and parliamentary elections among the considerations for the restoration of most-favored-nation [MFN] trade status for Romania. The local elections, while not without problems, were a positive step in Romania's journey toward democracy. Preparation and administration of the general elections currently planned for May, however, will be the test of lessons learned from this experience. I believe the May elections will be an important barometer in considering restoration of MFN.

The January 24 preelections survey prepared by the staff of the Helsinki Commission identified areas of improvement relative to May 1990—in particular, a more tolerant campaign atmosphere, more equal access to mass media, and the decision to allow domestic election observers—but also a

number of areas of concern. These included the lack of standard, detailed guidelines and procedures for election officials, the substantial technical role played by incumbent—appointed—officials, procedures for military and student voting, and the decentralized complaint process.

I am pleased to note that the Romanian authorities acted on some of these issues prior to February 9. Military barracks were opened to political parties for campaign purposes; the Government issued a decision providing students free round-trip travel to their homes in order to vote as well as a delay of exams; and, with regard to training for election officials, two additional teleconferences were sponsored by the Department of Local Public Administration and the Central Election Commission, during which time the presidents of the county courts were able to ask questions regarding implementation of the local election law and other aspects of elections administration. These were all helpful measures. Nonetheless, I hope that for the upcoming elections, such issues will be resolved in advance.

From February 5-12, 1992, a member of the Helsinki Commission staff traveled to Romania with an international elections observer delegation sponsored by the National Democratic Institute for International Affairs [NDI] and the International Republican Institute [IRI]. The delegation met with Prime Minister Theodor Stolojan, Government and election officials, political party leaders, media representatives, and representatives of nongovernmental organizations in Bucharest, before dispatching teams to 16 regions throughout Romania to observe the election day proceedings. I would like to share some of the following impressions and observations with my colleagues.

The elections process as a whole showed significant improvement from that of May 1990, and was an important indicator of Romania's progress toward democracy. Romanian authorities, political parties, and nongovernmental organizations all took part in the effort to ensure a smoothly run and democratic local election on February 9. The overall result was an elections process that was both freer and fairer than any previous electoral exercise in post-1989 Romania, and one that symbolized an important step forward.

There were a number of specific improvements. The participation of and cooperation among the political parties was notably improved since May 1990. The campaign period allowed for a wider expression of opinion, and opposition parties were well represented on the polling site electoral bureaus and constituency electoral commissions.

The local elections were monitored by at least 5,000 domestic observers representing a variety of nongovern-

mental organizations. Some of these observers had engaged in voter education programs prior to election day. Their role helped enhance voter understanding and confidence in the electoral process.

The violence and intimidation that marred the campaign period in May 1990, was greatly diminished. There remained, nonetheless, a number of credible reports of telephone threats, beatings, and other forms of harassment. The Romanian League for the Defense of Human Rights was able to document 15 cases of violence or intimidation in the campaign period.

Television access in the campaign period was also improved as compared to May 1990. The procedure for distributing television time was established late in the campaign, however, and rapidly grew unwieldy. While freedom of the press is essentially guaranteed, continued state control of paper production, printing presses, and distribution creates barriers to the flow of information. Independent and opposition newspapers still have difficulties permeating the countryside, which inhibited the exchange of information during the campaign.

While election day ran essentially without incident, there were widespread procedural inconsistencies and occasional irregularities. Those tasked with administering the elections were never provided with standard, uniform guidelines, permitting vague or ambiguous areas of the law to be variously interpreted. Irregularities included proxy voting, inaccurate voter lists, insufficient verification of voter identity, police or military personnel inside the polling stations, and improper conduct of technical auxiliaries.

Mr. President, as cochairman of the Helsinki Commission I have a long-standing interest in Romania and have monitored events there with compassion and concern. I believe the local elections of February 9, mark a positive step in Romania's transition toward democracy. To demonstrate their commitment to further reform, the Romanian authorities, together with other political forces in Romania, should endeavor to strengthen the electoral process prior to the upcoming general elections. I believe the February 9 elections provide a solid base from which to build.●

#### COMMENDING LESLIE ELIZABETH MILJAT, AUTHOR-HISTORIAN

● Mr. KOHL. Mr. President, 125 years ago, on May 1, 1867, the northwestern branch of the National Home for Disabled Volunteer Soldiers officially opened in Milwaukee, WI. In recognition of this historical institution and the war veterans that applied for admission, a dedicated constituent of mine, Ms. Leslie Elizabeth Miljat, recently completed a book entitled "Ad-

mission Applications—National Home for Disabled Volunteer Soldiers—Northwestern Branch—Milwaukee, Wis. 1867-1872."

The home was among several around the country authorized by legislation signed by President Lincoln, and it was located on the site and is the direct predecessor to the Zablocki Veterans' Administration Medical Center. In fact, Ms. Miljat informed me that some of the land for the home was actually purchased from a certain Mr. Mitchell, later to become a U.S. Senator. Of course, this Senator was not our distinguished majority leader from Maine, although I am sure he would have loved to be identified with this cause if he were alive back then, but rather my predecessor from Wisconsin, Senator John Lendrum Mitchell who served in this body from 1893 to 1899.

Shortly after this soldiers' home opened, many disabled veterans began arriving in Milwaukee seeking admission. Interestingly, not only Civil War veterans applied, but also some from the War of 1812, the Mexican-American War, and one veteran who is even recorded as having served in something called the Mormon war. The records of the applicant's interviews that began in September 1867 were entered daily in a simple ledger, and Ms. Miljat, after diligently researching this information, has compiled the names of the veterans and all of the details of their interviews in a clear, organized manner. These brief yet immensely interesting admission interviews contain a wealth of information on 19th-century battles, prisons, military units from all Northern and some Western States, sea duty, and Great Plains duty.

The book includes veterans' full names, military units, ranks, service enlistment and discharge dates, the disabilities and their surrounding details, physical descriptions, places of birth, religious preferences, pensions, and death records. It also incorporates information on a downtown storefront veterans shelter in Milwaukee from 1864 to 1867 and the names, dates of death, and where available the places of burial, of 28 terminally ill veterans who died there. Other interesting bits of information about the soldiers' home and the veterans who lived there is also included.

Ms. Miljat has put a great amount of time and effort into her studies of Milwaukee's National Home for Disabled Veterans. The historical information that she collected is invaluable not only to Wisconsin but to the entire Nation as well. I would personally like to thank her for all of the hard work that she has done. The State of Wisconsin is truly lucky to have such a dedicated author as Leslie Elizabeth Miljat.●

#### LITHUANIAN INDEPENDENCE DAY

● Mr. RIEGLE. Mr. President, February 16 commemorated the 74th anni-

versary of Lithuania's declaration of independence. This anniversary was especially meaningful because it also commemorated the restoration of Lithuanian independence.

Today, more than 700 years after the original declaration of the Lithuanian state, the United States congratulates the people of Lithuania as they celebrate their newly found and well-deserved independence. Lithuania, the first among the occupied Baltic States to assert its independence against their foreign occupiers, has served not only as a beacon of inspiration to its fellow Baltic States but to the entire world.

The struggle for independence has spanned this valiant nation's history. Countless invasions by aggressor states have plagued the Lithuanian people. Finally, after years of struggle, on February 16, 1918, at the end of World War I, the people of Lithuania declared the independence of their democratic nation. Unfortunately, Lithuania's cherished freedom was short-lived. In June 1940, less than 1 year after the Soviet Union and Nazi Germany signed the Molotov-Ribbentrop pact, Red Army troops rolled across the Lithuanian borders and illegally annexed the three Baltic countries. A 51-year Communist dictatorship ensued, repressing all Lithuanian political and cultural expression.

Despite the presence of an oppressive regime in their homeland, the brave and courageous Lithuanian people stood resolute in their determination to reestablish sovereignty. The people's movement, known as Sajudis, advocated nonviolent measures for social and political reform. On March 11, 1990, following the first democratic election in Lithuania in more than half a century, the newly elected Lithuanian Parliament declared the restoration of Lithuanian sovereignty and the establishment of a democratic state.

Tragically, however, the fight to regain independence cost the Lithuanian people dearly. In January 1991, 10 months after the newly elected Lithuanian Parliament declared sovereignty, the Lithuanian nation withstood a bloody assault by armed Soviet troops against their democratic institutions.

Despite Lithuania's triumph over Soviet oppression, troops of the former Soviet Union continue to violate the territorial integrity of Lithuania and the other Baltic States. Indeed, as many as 200,000 troops of the former Soviet Union remain stationed in these countries without the consent of the Baltic governments. The presence of these forces poses a serious threat not only to the territorial integrity of these nations but to their political sovereignty as well. On January 30, 1992, I, along with 36 of my colleagues in the Senate, wrote to President Bush urging him to press Russian President Boris Yeltsin to withdraw the remaining troops without delay. It is my hope



that the 75th anniversary of the Lithuanian nation will be celebrated free from all lingering military remnants of its former oppressor.

Finally, it is due to the Lithuanian people's unyielding commitment to reestablishing a democratic state that the Baltic country is once again free and independent. But, without the support from people of Lithuanian descent in Michigan and around the world, this remarkable event may never have happened. On this 74th commemoration of Lithuanian Independence Day, I offer my heartfelt congratulations to all Lithuanians on the restoration of a free and democratic Lithuania. •

#### GLOBAL POPULATION GROWTH

• Mr. ADAMS. Mr. President, the problem of overpopulation threatens the lives of millions of people in the developing world. Rapid population growth taxes the environment, the social system, and the urban infrastructure. It exacerbates unemployment, disease, poverty, and crime. It makes education and health care all but impossible. It fuels deforestation and misuse of resources.

Yet, global population growth affects those of us in the developed world as well. The effects of environmental degradation cannot be contained in any one country. Similarly, the dislocation caused by chronic unemployment will not be stopped at any one border, especially where developed and developing countries meet. U.S. jobs depend on our ability to export, and that, in turn, depends on the ability of other nations to absorb our goods and services. Developing economies mired in budget deficits and structural unemployment do not make good customers. Neither do they make good international partners.

Current population pressures are not insurmountable and treating them as if they are runs the dangerous risk that we will not act in time. The time is now and the cost is not prohibitive. What is required is simply will. And a political cease-fire. Population assistance should not divide Democrats and Republicans. And it should not divide the developed world from the developing world.

Last spring, I cosponsored legislation, S. 1028, with Senator MIKULSKI to increase U.S. funding of international population assistance programs. With the failure of the foreign aid authorization during the last session and the hope of passing a bill this session increasingly unlikely, I urge my colleagues to review this important legislation and to put themselves on record in support of U.S. population assistance.

I would also like to bring to your attention an article that recently appeared in the *Seattle Post-Intelligencer* on this subject. The author, David Horsey, is the P-I's editorial car-

toonist and, in my opinion, one of the most astute practitioners of his trade. He traveled to Turkey late last year to receive an award from the Population Institute for excellence in population reporting—in his case, cartooning.

I commend his piece to you and urge that we all work together to find some common ground in the area of international family planning, before it really is too late.

The article follows:

#### GLOBAL POPULATION GROWTH

(By David Horsey)

(P-I editorial cartoonist David Horsey recently returned from a two-week study tour of Turkey where he received a Global Media Award for Excellence in Population Reporting from the Population Institute. The following is his report:)

ANKARA, December 4—Turgut Ozal, president of the Republic of Turkey, sits a dozen feet away from me. He is reading a speech for the television cameras while I rub my sweaty palms on my trousers.

Nervously, I scan the brief acceptance speech I scribbled on notebook paper this morning and wish I had given it extra thought. This event appears more prestigious than I expected.

Journalists from seven nations who will shortly be presented with Global Media Awards, are seated at the front of this reception room inside the presidential palace high on a hill above the Turkish capital. Along the back wall, a troop of print and broadcast reporters and photographers elbow each other for space.

Filling the gap between the winning journalists and the working journalists are ambassadors, consular officers, government officials and distinguished guests who sit at small, linen-covered tables where they pick from silver trays holding dainty pastries.

The German ambassador is here. The Indian ambassador is here. The Mexican ambassador and various other ambassadors are here. But the U.S. ambassador is skipping the event. Later, I learn that his absence has offended President Ozal.

But offending the Turkish leader is less important to a diplomat who wants to keep his job than is avoiding offense to the President of the United States or powerful members of Congress.

American ambassadors here and elsewhere in the developing world shrink from contact with the population issue, not only because it often puts them at odds with traditionalists in their hosts countries, but also because it gets them too close to the hot button debates of home: abortion, condoms, birth control.

The U.S. leads all nations in providing population program assistance. But delivery of that assistance has been made harder by prohibitions on aid to any organization even loosely tied to abortions.

For instance, until 1985, the United States contributed more than any other country to the United Nations Population Fund (UNFPA). Then allegations of forced abortions in China gave the Reagan administration and their allies in Congress the excuse needed to cut not only family planning funds for China, but all U.S. assistance for U.N. population programs. George Bush, who, as a congressman, championed population control measures now, as president, continues to block new funding for the UNFPA.

The result is the U.S. abortion battle is claiming casualties among the millions of

impoverished women in the developing countries who are desperate for modern contraceptive methods but cannot obtain them because of U.S. policy. Ironically, if it were easier for these women to obtain contraceptives, the less likely they would be to seek abortions.

Since the world population conference in Mexico City in 1984, official U.S. policy has been to treat the population explosion as nothing worse than a mixed blessing. But, in many parts of the developing world, governments have come to the realization that a mushrooming population is antithetical to economic development.

As President Ozal said in his awards ceremony speech, "Rapid population increases is a matter of growing concern, particularly for the governments of developing countries \* \* \* These (population) pressures multiply the immensity of their already difficult economic and social problems."

Growing alarm has led the people of developing countries to try a variety of novel methods to slow birthrates.

Fourteen nations, including Turkey, Mexico and Brazil, have written family planning rights into their constitutions.

In Jakarta, Indonesia, family planning jingles play at spotlights.

At 5 p.m. in Bali, church bells ring to remind women to take their birth control pills.

In Mexico, when television goes off the air, an injunction to "love carefully" is shown instead of the flag.

In Pakistan, a six-part television drama featured family planning as its central theme.

In Turkey, clever ads for "O.K." condoms are broadcast (without actually using the word condom) and many Islamic preachers, who are trained by the government, are said to promote contraceptive use.

The simple, stark fact confronting the people of these and other Third World countries is that national disaster awaits if population growth is not curtailed. If nothing changes, just 20 nations will account for 70 percent of the world population growth in the coming few decades (among those nations are China, India, Pakistan, Nigeria, Indonesia, Brazil, Mexico, Iran, Ethiopia and Turkey).

Turkey provides a compelling example of how critical the problem can be. Since 1976, family planning programs in Turkey have reduced the number of children born to the average woman from 6.8 to 3.7. Sounds like a success story. Yet, even at this lowered birthrate, Turkey's population will double in 32 years.

Even though Turkey is much better off economically than most of the developing world, it would be a virtual miracle if the resources could be mustered to double the number of schools, health programs and jobs. Can anyone imagine accomplishing that even in a rich country such as the United States?

Maybe all the new hungry mouths could be fed by irrigating the eastern part of Turkey. But that would require new dams on the Tigris and Euphrates rivers which would mean significantly less water downstream for Iraq and Syria. That would surely set off big new sparks in a region which is already the world's biggest powder keg.

Even if a country like Turkey could bring off such a miracle, in other countries, such as Ethiopia, Bangladesh, Burma and Vietnam, there's no chance in the world that a doubling of their populations could be supported.

As the world climbs quickly toward a global population of 10 billion by 2028 (double the

population of 1986), famine will spread, economies will crash, violence will erupt between nations and within nations, resources will become scarce and the global environment will be ravaged by the futile attempts to accommodate all these billions of people.

Throughout our tour of Turkey, Werner Fornos, president of the Population Institute, repeatedly spoke of an "environmental armageddon" in the coming century if nothing is done to stem population growth. Fornos points out that three billion young people will enter their reproductive years in this decade, a number which is equal to the entire world population in 1960. If they are not taught about family planning methods and given access to contraceptives, there will be little chance to stem the population tide.

Fornos, however, says we have a chance to avoid disaster. If, in the next 10 years, population growth can be curtailed in those 20 key countries, the problem will have been contained.

What will it take to do that? The U.N.'s current goal to meet existing family planning needs is \$2.5 billion, of which \$500 million of that would be needed from the United States. Big bucks? Compare that figure to the \$2.5 billion the countries of this planet spent on arms each and every day of 1990 or the \$5 billion Americans spent on pet food that same year.

By the year 2000, the U.N. says the need will rise to \$9 billion. For Americans, strapped for cash as we are by the savings and loan bailout, the federal debt and a faltering economy, the temptation is to say the whole thing is somebody else's problem, so let somebody else pay for it.

But, even though birthrates are low and contraceptive use is high in the industrialized world, the problem is very certainly ours as well. Europe is already experiencing significant social problems due to the influx of job-seekers from African and Asian countries that cannot provide jobs for even their present populations.

And imagine the consequences for the U.S. if Mexico fails to stop its population explosion. How many troops are we willing to place on our border, how deep a ditch can we dig, how high and long a wall can we erect to keep those poor masses of people from flooding into Texas and California and Arizona and, eventually, Washington?

If the social and political consequences of unchecked populations are horrible, the environmental consequences are worse. Water scarcity, deforestation, overworked agricultural lands, global warming, an expanding hole in the ozone layer—virtually every environmental crisis now facing us is rooted in the fact the planet cannot sustain a human population which has tripled in just 60 years.

Of course, if we cannot find a civilized way to bring population and resources into rational balance, nature will do the job for us. And nature's methods are cataclysmic.

The psychology of facing this challenge may be a greater hurdle than the mustering of resources. The citizens of the Earth are capable of producing and paying for all the contraceptives we need. Up to this point, however, we have proven much less capable of rethinking our religious, cultural and personal attitudes toward families, women, children and sex.

In the Turkish city of Izmir, I visited a family planning clinic where the staff told of one woman client who had had 17 pregnancies, half ended in abortion, two in miscarriages. Hearing of this, Werner Fornos said, "That does not translate into a very loving husband."

Most men in Turkey, like those in many other countries, refuse to stop producing offspring until they have a male child. Too many men throughout the world see family planning as an affront to their manhood.

Regressive thinking is not confined to personal attitudes, but is exhibited by leaders and organizations which should be providing new vision.

On a visit to Brazil, Pope John Paul II condemned official birth control programs for undermining the family, yet, on the streets of Brazil's cities, live seven million children who cannot be supported by their parents and so become the victims of violence and exploitation. According to the British Broadcasting Corporation, death squads kill 2,000 of these children each year.

Many American environmental organizations run from involvement in the population issue for fear of endangering their fundraising among donors who oppose abortion and birth control. Even at world environmental conferences, the impact of overpopulation is generally ignored, according to Hans Waggner, UNFPA external relations officer for Europe.

"In the international strategy of conservation of nature, man is not talked about," he said.

The need to talk, act and think differently about humanity's place on the planet is on my minds as my turn comes to receive the award from the hands of President Ozal. Like the other award winners, I am expected to say a few words to the gathering in the presidential palace.

I describe the cartoon for which I won the award; a cartoon which suggests it is an affront to God to believe it is His will that we despoil His creation by overpopulating the earth.

I note how the tour has taught me about Kemal Ataturk, the father of modern Turkey, who transformed his nation with radical new thinking. And I hearken back to Abraham Lincoln who, before the American Civil War, said the nation would only be saved if the people of his time could think and act anew.

Concluding, I suggest we all should adopt the spirit of Ataturk and Lincoln.

"Today," I say, with the future of my own children very much on my mind, "if we can think anew and act anew, perhaps we can save our planet."•

#### NATIONAL ENERGY SECURITY ACT

• Mr. McCAIN. Mr. President, the Senate has adopted several amendments I offered to the National Energy Security Act. I want to thank the managers for clearing the changes. They are relatively modest, but I believe they are important. I would like to describe them briefly.

The first two amendments deal with the bill's provisions on alternative fuels. A significant goal of the National Energy Security Act is to reduce our dependence on foreign oil by bolstering the manufacture and use of alternatively fueled vehicles.

Toward that end, title IV of the bill requires those who operate car fleets to phase in alternatively fueled vehicles beginning in 1995. The bill lists the various alternative fuels which qualify for the program.

The McCain-Domenici amendment specifies that solar-derived electric-

powered vehicles are included among the acceptable alternatives.

Solar power offers our Nation an abundant, economical, and environmentally sustainable source of power. We should do everything we can to encourage its development. The amendment recognizes the importance of this technology. I hope that many fleet operators will choose solar-electric to fulfill the purposes of the act. On this same topic, I was pleased to join Senator DOMENICI in another amendment which would ensure that solar-electric vehicles will be included in the electric and electric-hybrid vehicle demonstration program authorized by the bill. I want to thank Senator DOMENICI for working with me on these initiatives.

The second amendment seeks to ensure that the U.S. Congress will be subject to all of the vehicle fleet provisions. In case anyone has a question, the House, the Senate, and the Architect of the Capitol do maintain a large fleet of cars and trucks. I want to be clear, the bill does ensure that the legislative branch of Government must purchase alternatively fueled vehicles just like other fleet operators. I applaud the committee for including Congress in the mandate.

However, I have some question whether the bill effectively subjects Congress to a very key provision of the program. That provision requires Government fleet managers to utilize publicly available alternative fuel facilities when possible. The purpose of the provision, of course, is to stimulate publicly available markets for alternative fuels. Without this refueling provision, Government vehicles would be fueled at central locations which are not available to the general public.

The bill calls on the General Services Administration to implement the program. The amendment I've offered clarifies that congressional officials are responsible for ensuring that the legislative branch participates in the refueling program. By making GSA and legislative branch authorities equally responsible for implementation, I have much greater confidence the job will get done.

Located within just a few blocks of the Capitol, Mr. President, is a station which sells compressed natural gas. If we can require a courier at the Department of Labor to go fill up at a commercial alternative fuel station, we must leave no doubt that congressional employees and those few among us who are provided limousine service make that effort as well. The amendment ensures that we, too, will comply.

Mr. President, the next amendment which has been accepted by the managers deals with the title VI provisions relating to energy efficiency. The underlying bill calls on the Secretary of Energy to develop an energy efficiency code for Federal buildings. The amendment I've offered will ensure that Con-



gress will abide by the new code. I see no reason why the inhabitants of the hallowed Halls of Congress shouldn't be required to save our share of energy. We have a duty to comply and the amendment will ensure that we do.

Mr. President, another important goal of the National Energy Security Act is to reduce the amount of industrial waste created in our country. Industrial waste requires energy and money to treat and dispose of, and can pose significant threats to human health and the environment. Title V of the legislation calls on the Secretary of Energy to recommend ways that U.S. industries can minimize waste. I've included an amendment to ensure that the waste minimization efforts deals with the activities of the Federal Government. Federal activities, in particular those of the Department of Energy and the Department of Defense, generate about 20 million tons of waste per year. Surely, if we can develop ideas on how private industry can reduce its waste stream, Government can clean up its own house as well.

I hope that we in Congress will finally get the message that we must scrupulously ensure that Congress and Federal agencies participate in the programs and mandates we impose on the private sector and on State and local jurisdictions. The American people rightfully demanded that lawmakers live by the laws they impose upon others. Whether we're talking about worker safety laws, fair employment practices, environmental protection standards, or energy security programs, if a mandate is good enough for the rest of the country, it's good enough for the Federal Government and it's good enough for Congress. If we're so uncomfortable with subjecting ourselves to the terms of the laws we pass, we shouldn't be subjecting the rest of the Nation to them either.

Mr. President, in an election year, great stock is put in polls. You can just feel the joy of the President's opponents when he slips a point or two, and the virtual despair when his ratings improve.

For all the poll watchers around here, we should consider the findings of a recent New York Times-CBS poll regarding the standing of Congress. Seventeen percent of the American people feel Congress is doing a good job. Seventy-seven percent feel we are doing a bad job. Mr. President, Stalin was held in higher regard.

So, I hope we will pay attention to the message that the American people are sending. And, that as part of the congressional reform we so desperately need, we will shed the trappings of the last plantation of Congress and refrain from passing legislation that does not fully, completely, and unquestionably apply to this institution. Senators and Representatives just may learn something in the process.

The final amendment I've offered, together with Senator CHAFFEE, seeks to resolve a potentially troublesome conflict in Federal policy. As I mentioned previously, the National Energy Security Act requires the Secretary of Energy to establish energy conservation building codes. In many instances energy efficiency in buildings means the need for increased insulation.

However, the EPA reports that indoor air pollution, including radon, is the second leading cause of lung cancer in our country. An estimated 10,000 to 20,000 cancer deaths a year are related to radon exposure. In many instances the only way to mitigate indoor air pollution is to increase ventilation.

Are we to have one policy which encourages insulation, and another which demands ventilation? Shall we place energy efficiency over indoor air quality and human health? I don't think so. Clearly, we must rectify these conflicting issues. My amendment will ensure that the Secretary of Energy works with the Administrator of the Environmental Protection Agency to develop a coordinated policy that will ensure we protect human health in our effort to meet aggressive energy efficiency goals.

Again, I thank the managers for accepting these amendments.●

#### OUTSTANDING COMMUNITY SERVICE AWARD

● Mr. D'AMATO. Mr. President, it is with great pride that I speak on behalf of one of my constituents who will be honored on Thursday, March 19, 1992 with the prestigious Kleenex Says Bless You Award, Wendy Kopp. She is an everyday citizen who has been doing quite extraordinary things, and for her fine work and her great achievements I salute her.

Wendy Kopp was chosen from hundreds of nominees, submitted by newspaper editors, television news directors, and U.S. Congressmen/women, to receive Kimberly-Clark Corp.'s award to honor individuals whose initiative has made a difference in their respective communities. Ms. Kopp, age 24, was selected for the Kleenex Says Bless You Award for founding Teach for America, a nationwide corps of recent college graduates who teach in the Nation's neediest school districts. She is one of ten individuals who have been selected to receive top honors for contributions to the community in 1991.

While she was a college senior, Wendy Kopp attended a national conference on education. It was at this conference that Ms. Kopp developed a proposal that resulted in free office space and a cash grant to start her program. It took 2 years, but the result was an organization that has recruited more than 500 recent graduates from top colleges who go out to some 25 needy school districts across the country.

The Kleenex Says Bless You Awards were established in 1988 to honor individuals who have saved lives, initiated programs to benefit a needy segment of the community, or overcome personal problems to make a significant difference in the lives of others. Wendy Kopp has been selected for her valiant efforts in the area of education. I salute Wendy Kopp for her past contributions and wish her much success with the future of Teach for America.●

#### A CRITICAL MOMENT IN SOUTH AFRICA

● Mr. BOREN. Mr. President, I rise today to speak briefly on today's developments in South Africa, as my friend and colleague from Kansas has done. Just hours ago, President De Klerk announced that a referendum will be held in South Africa by the end of March on whether his government should continue to dismantle apartheid. The referendum comes a day after De Klerk's National Party was defeated in a special election by a proapartheid, antireform Conservative candidate. And it comes at a time when the white minority in that country is more uneasy than ever before about what the end of apartheid will mean to them. For better or for worse, Mr. President, this referendum could determine the course of reform in South Africa for years to come.

While I believe that only a nonracial one-man-one-vote process can ultimately make decisions for the future of South Africa, we can only hope and pray that those people who will vote in the March referendum will vote to dismantle apartheid. If the De Klerk reforms are not supported, it should be clear that sanctions and international isolation of South Africa would almost certainly be resumed. If De Klerk is defeated in the referendum—and he says he will resign in that event—then South Africa could be on the road to a human tragedy of great proportions. The likely alternative to the current process of reform, and to the talks held by the Conference on a Democratic South Africa, is a potentially violent political backlash by all sides.

Mr. President, we should send a clear signal that at this critical moment in South Africa's modern history, the United States remains committed to a peaceful transition, one which can ultimately only be based on the nonracial principle of one man one vote and the complete dismantling of apartheid.●

#### BLACK HISTORY MONTH

● Mr. DOMENICI. Mr. President, as the month of February draws to a close, so too does Black History Month. I think it is therefore appropriate that we take the time to acknowledge the unique role African-Americans have played in our culture and society. Their fight for

equality has been, and continues to be, a triumph of the human spirit. It is also a reminder of the ability to rise above past oppressions and strive for a brighter future.

With that in mind, I am proud to stand before you today to bring to your attention the achievements and accomplishments of seven very special black New Mexicans. The great black writer W.E.B. DuBois, in his "Last Message to the World," said, "Believe in life! Always human beings will live and progress to greater, broader, and fuller life." These seven New Mexicans have embraced DuBois' message and, in their own unique ways, have endeavored to lift us to a greater, broader, and fuller life.

You know, my home State of New Mexico is a unique place. It is one of the few States in the Union where several languages and cultures make up a diverse population mosaic. It is a place where people of every race, creed, and ethnicity have come together in a multicultural society where nobody is a majority, everybody is a minority. While many associate New Mexico's history as being shaped by native Americans, Hispanics, and European settlers, what a lot of people don't know is that a black American, a Moroccan slave named Estevanico, was one of the first explorers in the area.

Still, almost 500 years after Estevanico, African-Americans make up only 3 percent of our population. But judging by their accomplishments, you'd think the numbers were much higher. Albuquerque, for example, has one of the oldest branches of the National Association for the Advancement of Colored People in the United States. The National NAACP was formed in 1909; Albuquerque's branch was established in 1914 and chartered by 1915. That is an accomplishment noteworthy in itself, and I share Albuquerque's pride in its branch.

Over the years, the Albuquerque branch of the NAACP and the Delta Sigma Theta, Inc. have taken the time to honor outstanding black New Mexicans with a Footprints Award for Black History Month. These are individuals who serve as role models to the black community in the fields of arts, sciences, politics, religion, education, community action, and business. Their accomplishments vary, but each one personifies the best in not only the black community but in our larger community as well. I'd like to take the time to tell you a little bit about each of them.

Let me begin with Mary Alice Collier, a creative, talented Christian singer who personifies what so many of us like to think of as the consummate artist. Her dedication to her craft has paid off in a distinguished career that has spanned the globe. Mary has graced listeners in Jerusalem, Israel,

Holyland, and more than 10 States across our country with her beautiful voice. She has also sung with the Portland Symphonic Choir, the Stockton Symphonic Chorale in California, and the Charles Woodal Chorale in Albuquerque. Such joy is truly worthy of being shared, and we are fortunate that Mary has chosen to share her talent with the students she teaches at Sunset Mesa School in Albuquerque, and with all of us.

Euola Wilson Cox has also chosen to share her gifts for inspiring others by dedicating herself to teaching in the Albuquerque public school system for 25 years. During her lengthy career, she has served as an assistant principal at Wilson Middle School, and was an associate professor emeritus at Eastern New Mexico University in Portales. Euola has worked with our youth in other ways as well, and has been involved in a great deal of community work. She was an organizer for the Black Miss America Pageant. She also served on the board to raise funds for the United Negro College Fund, as well as serving as youth adviser for the NAACP Youth Council. And as if that wasn't enough, she was also an organizer of the first Black History Program for Central Cities, and an adviser and organizer for the Black Student Union at Eastern New Mexico University. An impressive list of accomplishments indeed.

Minner L. Crockett is totally involved in all aspects of her community. She is involved culturally and artistically as a poet, singer, and songwriter. She has been an inspiration spiritually and academically as both a counselor and tutor. Her part as a role model is obvious. She has been a delegate to the C.O.P.E. convention, and is the chairperson of the trustees and member of the political action committee for the local No. 187 steelworkers of Carlsbad. Minner is one of the poets chosen worldwide to receive an honorable mention as Poet of the Year for 1992. Her poem "Old Folks" has been published in the "World Book of Poetry for 1991," and she is featured in "Who's Who in the World of Poetry for 1992." Minner attended the Carlsbad branch of New Mexico State University, the Regina School of Nursing, St. Joseph's College, and the University of New Mexico. As a proud native of Carlsbad, she was the first black to run for the Carlsbad School Board.

Vera Cushman has a number of firsts to her name as well. She organized the first Women in Management Conference, which focused on minority women breaking new grounds, and is the first black woman in the New Mexico Hall of Fame. Vera has served the Albuquerque community in a number of other ways as well. She is a past president of the National Council of Negro Women and a past president of Business and Professional Women. She

also served as a member of the task force on the Santa Fe Prison riots and has received the distinguished Public Service Award. Vera continues to serve our community as vice chairwoman on the Commission for the Status of Women. I applaud her activism, and it's easy to see why she has been singled out to receive this award.

I also applaud James D. Foy, who has retired from the United Methodist Church after 58 years of service. In a time when our youth—indeed, all of us—can use a little spiritual guidance and inspiration, I am always pleased to recognize individuals like Reverend Foy who have chosen to share their wisdom and experience with their community. As a community volunteer, Reverend Foy is a past president of the Albuquerque Branch of NAACP and served 10 years as police chaplain. He has received numerous awards from the Governor of New Mexico, as well as from the mayor of Albuquerque, in honor of his community involvement and his commitment to helping minorities find employment in city and State government.

I am also honored to recognize the scientific achievements of Julia Hardin, who was in biological application and research at Los Alamos National Laboratories. Not many people outside of Los Alamos knew Julia Hardin. She was devoted to her historical black colleges and university students, and was instrumental in helping a countless number of students achieve internships, residencies, and fellowships. The students and universities owe a great deal to Julia. She not only helped numerous students get into graduate schools or get jobs in their areas of expertise, but she also played a key role in securing millions of dollars in computer equipment for historical black colleges and universities in need of such equipment. Apart from her scientific prowess, Julia was also a show dog trainer and handler, as well as an award winning photographer. She also enjoyed traveling the back roads of America and visiting places of historical significance to Afro-American history. Through her travels, Julia lived the very history she and others cherished so highly.

The final Footprints recipient is Joe Powdrell, one of New Mexico's hardworking businessmen. Joe was a founding member of the African-American Business Council, which advocates African-American businesses in the community, and was instrumental in the development of a guide and directory to New Mexico's African-American businesses. He cochaired the African-American festival at the 1991 New Mexico State Fair, and is the founder of Junteeth, Inc. He also serves on the Governor's Business Advisory Council and on the newly revised Dr. Martin Luther King Holiday Commission. With his activism and good business sense, Joe has truly helped to make our State



a better and more prosperous place to live.

Mr. President, Black History Month is dedicated to placing proper historical perspective on the significance of black history—a part of our history we have, sadly, often overlooked. While we are making strides, we still have a way to go. But I think we are beginning to make real progress in respecting the important roles African-Americans have played in America's development culturally, spiritually, and historically. Individuals such as Frederick Douglass and Harriet Tubman and even their more modern contemporaries such as Jackie Robinson, Duke Ellington, and Jane Pittman have all made significant contributions to the growth of our Nation, and their place deserves to be documented in the history books.

When Dr. Carter G. Woodson established Black History Month in 1926—and back then it was simply Negro History Week—how times have changed—his goal was to recognize achievements and contributions of African-Americans. These seven individuals personify Dr. Woodson's ideal, as they represent the very best at their chosen careers. Frankly, I think they're a group of people any community would be proud of. I know that I am very proud of Mary, Euola, Minner, Vera, James, Julia, and Joe and all that they have achieved. They are living symbols of what can be accomplished when we spend a little of our time reaching out to help each other, reaching out to help our community, which in turn makes all of our lives a little bit brighter.●

#### THE CUBAN DEMOCRACY ACT OF 1992

● Mr. D'AMATO. Mr. President, I rise today in support of S. 2197, the Cuban Democracy Act of 1992. This act will send the message to Fidel Castro that his time has come. The time for democracy in Cuba is now.

The people of Cuba have had enough of deprivation and Fidel's long pointless speeches. His tyranny has driven thousands of people from their homeland and thrown the Cuban people into abject poverty and despair. He wantonly executes Cubans in an effort to salvage what is left of this dying dictatorship. To end the Cuban nightmare, we must not loosen the grip on this brutal dictator. We must tighten it. We must not let Castro limp on.

Fidel Castro has long terrorized not only his own people, but those of Latin America, South America, and Africa, also. He has sent troops to Angola, Namibia, and Ethiopia, Nicaragua, Bolivia, and numerous other nations. His forces have trained revolutionaries both at home and abroad. In short, the export of his so-called Cuban revolution has brought only death and destruction to the lands he has invaded.

Following the collapse of communism, Castro is now isolated. This

bill will hopefully be the nail in Castro's coffin. His time is up. Let us bring to a close the bloody rule of Fidel Castro.●

#### ORDER FOR PRINT—STAR PRINT 102-54

Mr. FORD. I ask unanimous consent that 300 copies of star print 102-54 entitled "The Conduct of Proceedings for the Selection of Officers for Promotion in the U.S. Air Force" be printed and delivered for the use of the Committee on Armed Services.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### REVISED EDITION OF THE STANDING RULES OF THE SENATE

Mr. FORD. I ask unanimous consent that the Committee on Rules and Administration be directed to prepare a revised edition of the Standing Rules of the Senate, and that such standing rules be printed as a Senate document.

I further ask unanimous consent that 2,500 additional copies of this document be printed for the use of the Committee on Rules and Administration.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### BILL READ FOR FIRST TIME—S. 2246

Mr. FORD. Mr. President, I understand that Senator KENNEDY introduced S. 2246 earlier today.

The PRESIDING OFFICER. The Senator is correct.

Mr. FORD. I now ask that the bill be read for the first time.

The PRESIDING OFFICER. The clerk will read the bill for a first time.

The legislative clerk read as follows:

A bill (S. 2246) to suspend the forcible repatriation of Haitian nationals fleeing after the coup d'etat in Haiti until certain conditions are met.

Mr. FORD. Mr. President, I ask unanimous consent for a second reading of the bill.

The PRESIDING OFFICER. Is there objection?

Mrs. KASSEBAUM. Yes, Mr. President; I object.

The PRESIDING OFFICER. Objection is heard.

Mr. FORD. My understanding is the bill will be read the second time on the next legislative day.

The PRESIDING OFFICER. The Senator is correct.

Mr. KENNEDY. Mr. President, I am pleased to join with my colleagues Senator SIMON, of the Immigration Subcommittee, and Senator DECONCINI of the full Judiciary Committee in introducing legislation to protect Haitian refugees from forced return to Haiti.

The bill which we introduce today is identical to legislation sponsored by

the distinguished chairman of the House subcommittee, Congressman ROMANO MAZZOLI, and which was adopted by the House Judiciary Committee just this morning.

In introducing this legislation, we demonstrate our resolve to protect the Haitian boat people from being forcibly returned to Haiti until it is safe.

Mr. President, a bipartisan staff mission from our Immigration Subcommittee returned earlier this week from Haiti and Guantanamo where they looked into the issue of the boat people. They found extensive repression in Haiti, and that the instruments of military control are firmly in place.

I am hopeful that the administration will give urgent attention to finding ways to protect Haitians rather than forcibly deport them to an uncertain fate. But if additional steps are not taken to assist and protect the boat people, then I believe that the Senate should give expedited consideration to the legislation which we introduce today.

#### ORDERS FOR TOMORROW

Mr. FORD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 9 a.m. Friday, February 21; that following the prayer, the Journal of proceedings be approved to date; that the time for the two leaders be reserved for their use later in the day; and that there be a period for morning business not to extend beyond 9:15 a.m., with Senators permitted to speak therein, with Senator CHAFEE recognized for up to 10 minutes and Senator SIMPSON or his designee for up to 5 minutes; that at 9:15 a.m., the Senate resume consideration of S. 1150, the higher education reauthorization bill, and without intervening action or debate, proceed to the vote on the Specter amendment No. 1691.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FORD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. FORD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### RECESS UNTIL 9 A.M. TOMORROW

Mr. FORD. Mr. President, I see no other Senator wishing to ask for the floor. I now ask unanimous consent that the Senate stand in recess until tomorrow morning at 9 a.m.

There being no objection, the Senate, at 9:50 p.m. recessed until Friday, February 21, 1992, at 9 a.m.